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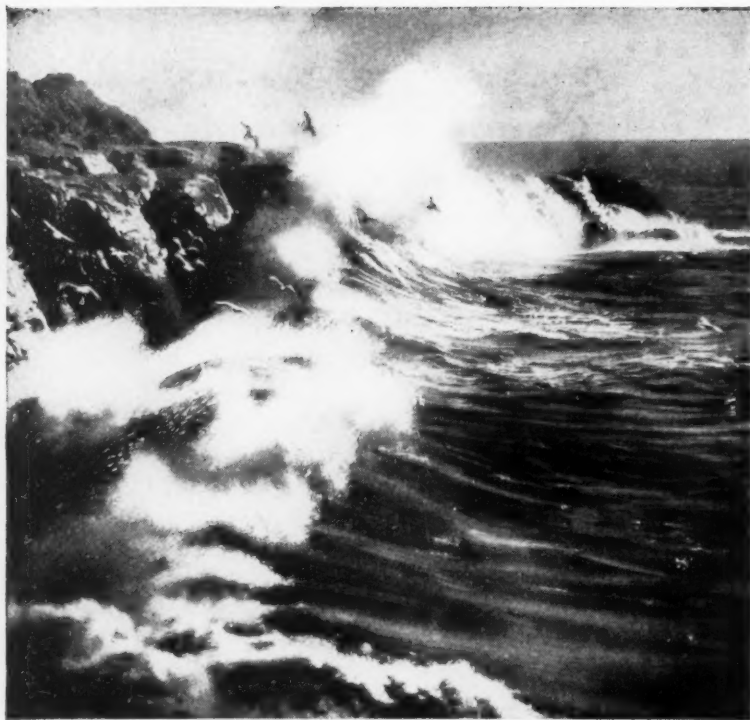
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N.A.I.A. CLEVELAND CONVENTION ♦ OHIO AGENTS CONV.

THURSDAY, SEPTEMBER 25, 1952



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But if they have a Standard Fixed-Amount policy  
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## Okla. Filing Does Away with Higher 5th Year Premium

### Quinquennial Rewriting Is at 78% of the Then Current Rate

At least one company has made a filing in Oklahoma of an installment payment of the term premium plan, under which the annual premium after the first year is 78% of the full annual tariff without the customary provision for collecting the full annual premium on the year of renewal. Under this filing the insurer will renew the five-year contract at the fifth year for 78% of the then current annual rate. That, of course, gives the insurer an opportunity to review its liability and the rate would become adjusted to any changes upward or downward that had taken place in the general scale. During the five-year span, the 78% that is collected is related to the rate that was in effect when the policy was first written. The filing provides for retroactive application of the plan. The company making the filing is not a large one, but many observers feel that this move is a significant straw in the wind. Many have felt that as a practical matter it is not feasible to try to get a higher premium from an insured each fifth year than during the intervening years.

## New Committees of N.A.I.C. Named

In the newly issued committee list of National Assn. of Insurance Commissioners these are among the chairmen named:

Accident and health, Knowlton, New Hampshire, chairman; Maloney, California, vice-chairman. Subcommittee on Blue Cross-Blue Shield, Leslie, Pennsylvania; committee on policy benefits in relation to premiums, Navarre of Michigan.

Casualty-surety, Allyn of Connecticut, chairman; Dickey of Oklahoma, vice-chairman. Subcommittee on cost and profit factors, study of casualty lines, Nelson, Minnesota, chairman. Subcommittee automobile rates by driver classification study, Mahoney of Maine, chairman.

Definition and interpretation of underwriting powers, Leslie, Pennsylvania, chairman; Taylor, Oregon, vice-chairman.

Examinations, Bowles, Virginia. Subcommittee on examinations practice and procedure manual revision, Hooker, Connecticut, chairman.

Fire and marine, Brown of Texas, chairman; Blisson of Rhode Island, vice-chairman.

Subcommittee on 1921 standard profit formula, Bohlenger of New York.

Subcommittee on breakdown of permissible expense ratio for fire and allied lines and automobile physical damage coverage, Bohlenger, chairman.

Subcommittee to study the statutory fire policy in the writing of multiple line coverage, to be appointed later.

Fire prevention and safety, Cravey of Georgia.

Interstate cooperation, Davis of Mississippi. All-industry subcommittee, Chase M. Smith, Lumbermen's Mutual Casualty.

Laws and legislation, Navarre of Michigan. Subcommittee uniform deposit laws and regulations, Kavanaugh of Colorado. Subcommittee uniform qualification and licensing laws, Knowlton, New Hampshire. Subcommittee security or insolvency funds, to be appointed later.

## Program Given for Ariz. Meeting

The program is announced for the convention of Arizona Assn. of Insurance Agents at Hotel Westward-Ho at Phoenix, Nov. 2-4. The executive committee holds forth on Sunday, Nov. 2, and then the next morning there will be a breakfast for the executive committee, contact committee and Arizona advisory committee.

At the first general session Lester B. Curtis, president of Phoenix Assn. of Insurance Agents, will lead off; Governor Pyle will give a welcome as will Mayor Foster of Phoenix, and President Frank Middleton will report. Kenneth L. Nehring will be heard from as state national director, and Paul Jones will report for the contact committee and the Far Western Conference.

Al Gibson, president of the Tucson local board, will preside at the luncheon and John R. Cooney of Firemen's, president of the National Board, will give an address. That afternoon, Percy Lynch, Great American, will give an address on all risk vs. multiple peril, and J. L. Biglen, New York Underwriters, president of Pacific Board, will make a talk. There will be a panel discussion on today's automobile problem led by V. M. Haldiman. The Blue Goose will be in charge of the entertainment that evening.

At the session the next morning association business will be transacted and officers elected, and Walter Sheldon of Chicago, the new N.A.I.A. president, will give an address. In the afternoon the speakers will be Charles Garland, chairman of the governor's committee on safety, and R. H. Griffith, Glens Falls, representing Pacific Fire Rating Bureau. There will be a cocktail party given by the companies and a banquet, dance and election returns party.

## Loring Retains Phoenix Post

Although Harry Nason, former deputy insurance commissioner of Arizona, replaces Ted Loring as executive secretary of Arizona Assn. of Insurance Agents, Mr. Loring continues as manager of the local board at Phoenix, Ariz.

Liaison, Larson of Florida, chairman, and Bohlenger of New York, vice-chairman.

Rates and rating organizations, Bohlenger, chairman; Taylor of Oregon, vice-chairman. Subcommittee, separate classification codes for multiple locations, deductibles, catastrophe and excess coverages, Bohlenger chairman. Subcommittee, multiple location risks cost factors, Bohlenger, chairman. Industry, cost factors pertaining to multiple location fire insurance risks, W. E. Leslie of Home, chairman.

Social security, Dickey of Oklahoma. Industry security, C. O. Pauley, Health & Accident Underwriters Conference.

Taxation and real estate, Viehmann of Indiana.

Unauthorized insurance, Southall, Kentucky.

Uniform accounting, Lange of Wisconsin. Subcommittee, James Higgins of New York.

Valuation of securities, Bohlenger of New York. Subcommittee, Allyn of Connecticut.

Workmen's compensation, Larson of Florida. Subcommittee, valuation law amendment, Maloney of California. Subcommittee, small policy economies, Day of Illinois.

Then there are the subcommittees of the executive committee: To study the question of reinsurance, Knowlton of New Hampshire; to study enlarging the functions of the assistant secretary's office and methods of financing, Dickey of Oklahoma; to study sites for future meetings, Bohlenger.

Then there are the subcommittees of the blanks committee: Fire, casualty and reciprocal blank, Joseph F. Collins of New York; hospital and medical service plans blank, Earl L. Berger of Pennsylvania; title and mortgage guaranty blank, Isaac Siegel of New York; to study the presentation of excess loss reinsurance and annual statements, Joseph R. Glennon of Illinois.

## Conick Picked for Gold Medal

Samuel Oberman, president of General Insurance Brokers Assn. of New York, announces that H. C. Conick, general attorney of Royal-Liverpool, has been selected as the 1952 winner of the G.I.B. gold medal award for rendering the most meritorious service to the insurance industry. The recommendation was made by the medal advisory committee consisting of all previous medal winners and headed by Frank A. Christensen, president of America Fore.

The presentation of the award will take place at the annual dinner Oct. 29.

## Wis., Iowa Business of North British Shifted to Western Department

Supervision of the business of North British in Wisconsin and Iowa as of Oct. 1 will be handled by the midwestern department at Chicago. This business is presently being handled at the home office. The field offices at Des Moines and Milwaukee will continue as heretofore.

Charles L. Day is secretary and head of the midwestern department of North British. He has been with the group for 25 years, having served in the field in Nebraska, Kansas, Oklahoma and Missouri before becoming western department secretary at the home office in 1948. He transferred to Chicago in January of 1952.

## Study Is Made of Cities' Plans for Placing Insurance

Municipal Finance Officers Assn. has just completed a survey of the plans for handling city insurance used in 90 cities, including 11 in Canada. The cities studied were selected according to geographical location and size.

Many cities, the survey found, are seeking competitive bids on their insurance, although uniform rates are by law established by rating agencies. Other cities, especially the very large ones, have been operating under no-insurance, self-insurance, or partial self-insurance programs.

The most common insurance plan used, particularly for fire and extended coverage, has been to place the insurance with a group of agents, with usually one man designated to act as representative of the entire group. Fifty-four cities have been using this plan for fire insurance and 26 for public liability. Only four cities use a single broker for fire insurance and 11 for public liability. Three cities, two in Wisconsin and one in North Dakota, place fire insurance with a state fund. Thirty-six cities apparently have been using insurance counsellors to review their insurance needs, to assure adequate and proper coverage at reasonable rates.

Three of the municipalities surveyed—New York, Milwaukee county, Wis., and Washington, D. C.—reported carrying no fire and extended coverage insurance. A self-insurance plan is being used by Detroit and Cambridge, Mass., for fire insurance. Kansas City, Mo., and Denver have adopted a partial self-insurance policy for fire insurance. Public liability risks are self-insured by New York, Cambridge and Madison, Wis.

Of the 90 cities studied, 52 are obtaining public liability insurance through bids; 16 cities get fire and extended coverage by this method. Winnetka, Ill., uses an informal bid procedure, without formal specifications or advertisements.

## Teaf Is Reelected As President of Society of C.P.C.U.

### Valuable Seminar Sessions at St. Louis—To Have Executive Secretary

By H. A. RITGEROD

ST. LOUIS—More than 350 C.P.C.U.'s and their wives from 28 states, District of Columbia and Hawaii attended the annual meeting and seminar here of the Society of C.P.C.U. Seminar-type discussion of insurance problems, based on research studies of individual C.P.C.U. chapters and members, and study of C.P.C.U. educational and public relations issues highlighted the three-day program.

E. Adrian Teaf, Philadelphia, was elected president and Deane W. Merrill of Thoms, Merrill & Co., Newark, becomes vice-president. Milford L. Landis, counsel of Central Mutual, Van Wert, O., succeeds Arthur B. Guest as secretary, and Gerald E. Myers, W. A. Alexander & Co., Chicago, is the new treasurer. Officers and directors were chosen by ballot of the membership in advance of the annual meeting. The results were announced at the business session.

New directors are: George Gibson Jr., London & Lancashire, Louisville, central district; Donald H. Chadwick, Atlantic Mutual, New York, eastern, and Kenneth M. Hough, Anchor Casualty, Los Angeles, western.

### Teaf Reports on Year

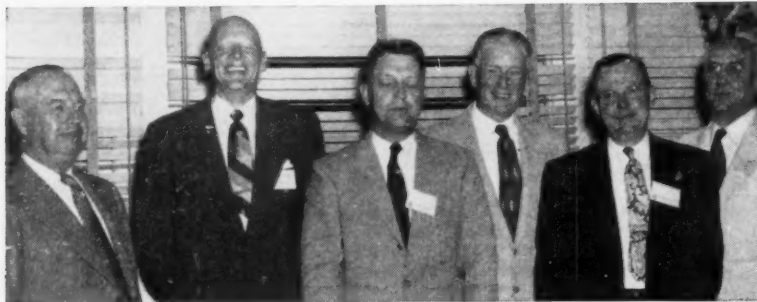
President Teaf reported on the progress of the C.P.C.U. movement the past year. He pointed to the success of the annual institute of the Connecticut chapter and urged that similar meetings be established in other parts of the country. The work of the society has developed to such an extent, he said, that its directors have approved appointment of an executive secretary to handle its affairs.

Summarized reports by the three regional vice-presidents, Joseph G. Romans, New York; Malcom G. Young, Chicago, and William V. Hall, San Francisco, reviewed activities in their respective areas. There are now 31 chapters in the U. S. with five new chapters, Buffalo, Maryland, Deep South, Kansas City and Dixie, organized the past year. Society membership, with the addition of the 1952 designees, will number about 825, Secretary Guest reported.

The society approved the publication of a quarterly news-letter, on C.P.C.U. activities countrywide, "News for You, from C.P.C.U.," to be edited by the Connecticut chapter. It also took under advisement a recommendation of its public relations committee for the adoption of a national special studies program on current and pressing issues in insurance, the reports of such studies to be published periodically in both the interest of the insurance business and the insurance buying public. Individual chapters have been engaged in insurance research studies, notably the New Jersey chapter on multiple peril policies and the Pacific chapter on valuations for insurance. The proposal of

(CONTINUED ON PAGE 9)

## NEW OFFICERS OF PA. AGENTS GROUP



OFFICERS OF PENNSYLVANIA ASSN. OF INSURANCE AGENTS AT CONVENTION AT WERNERSVILLE:

Treasurer C. M. Thumma, Harrisburg; State National Director Morton V. V. White, Allentown; Vice-president Lawrence D. Willison, Jr., Williamsport; Vice-president Howard S. Coe, Philadelphia; President Harold C. Aulenbach, Reading; Secretary-Manager Frank D. Moses, Harrisburg.

### To Return to State Building

LANSING, MICH.—The Michigan department's offices are expected to be reestablished in the downtown state office building some time in November.

It has been located in temporary quarters in Quonset huts on the Michigan State College campus since the multi-million-dollar fire which swept the office structure early in 1951.

The building is being rehabilitated

and modernized and is to be renamed the Lewis W. Cass building, inasmuch as a new state office building of similar size is also under construction but will not be ready for occupancy until next year.

The insurance department, according to a tentative allocation of space, will be on the sixth floor, one floor above its former location.

### R. I. Agents Annual Oct. 20 to Eye New F. R. Law

The annual meeting of Rhode Island Assn. of Insurance Agents in Providence Oct. 20, besides election of officers and other business matters, will be devoted largely to the new motor vehicle safety responsibility law which goes into effect Jan. 1 and the handling of assigned risks and the establishment of a new Rhode Island assigned risk plan.

M. V. Registrar Lussier will explain the administration of the law assisted by Allen Hawkes, research chief.

At the annual banquet, where President Don S. Paige will act as emcee, Maurice G. Herndon, Washington representative of the National association, will discuss Washington problems affecting the agent.

### Phila. Conferment Oct. 6

The C.P.C.U. designation will be conferred on 16 new members at the conferment banquet sponsored by the Middle Atlantic C.P.C.U. chapter Oct. 6 at Philadelphia. George Hammond, executive vice-president of Carl Byoir & Associates, New York City, will be the principal speaker. The South Jersey chapter will participate. Joseph R. Grubb, Educators Mutual, Philadelphia, is in charge of arrangements.

### Clear 1 Million Auto Titles

NASHVILLE—The Tennessee department of safety has processed applications for 1 million automobile titles under the state law requiring the owner to have with him at all times a title certificate. The law is credited with greatly reducing the number of cars stolen in the state and the number of "hot" cars brought in and sold within the state.

## Ferrier's Insurance Cartoons in Book Form Offered by Stewart, Smith, Inc.

Stewart, Smith & Co., Inc., brokers at 116 John street, New York 38, N. Y., will send to those who write for it a 20 page booklet reproducing nine of the famous Arthur Ferrier cartoons which made up the series of advertisements appearing for Stewart, Smith & Co. in THE NATIONAL UNDERWRITER during 1951. These cartoons for Stewart, Smith & Co. made a fresh and interesting approach to casualty insurance advertising. They were on the light and humorous side, although each illustrated the great value of reinsurance.

Along with each cartoon in the booklet is told the insurance story illustrated in the drawing. Typical of these were a rib-tickling portrayal of an airplane load of monkeys on a binge out of their cages; heaping piles of gold and diamonds for the fellows who had excess

## General Agents '53 Meet Set for Wis. Spot Near Chicago

The 1953 annual meeting of American Assn. of Insurance Managing General Agents is to be held at Nippersink Lodge near Genoa City, Wis. This is 65 miles from Chicago. The meeting will start on the Memorial Day weekend and the organization will have exclusive use of the hotel, having guaranteed an attendance of 150.

### Bielaski Cites Improved Record on Arson Cases

A. Bruce Bielaski, general manager of the National Board, addressing International Assn. of Chiefs of Police at Los Angeles, said that arson, which about 20 years ago was most often the work of professionals, today is largely done by pathological fire setters and juvenile delinquents. He urged the police chiefs to put as much stress on prevention and solution of arson crimes as they do other felonies requiring less difficult legal proof.

The National Board records show that arson during the 12-month period ending April 30, 1952, was at the lowest mark for arrests and convictions of adult arsonists in the last 25 years. These records do not include cases based on automobile fires or involving juveniles handled in juvenile courts. They show 1,544 risks and 588 convictions in 1932 as compared to 440 arrests and 252 convictions last year. "This is a real triumph for law enforcement and indicates that even the most difficult situations can be solved with adequate machinery and steady attention," Mr. Bielaski said.

With the almost complete disappearance of the professional arsonist, along with changed economic conditions providing full employment, high prices for merchandise and buildings of nearly all types, the profit margin for arson has largely disappeared and the fires are now set by juveniles and pathological arsonists. The police departments have an important job in this connection.

reinsurance in a catastrophe; an authentic Loch Ness Monster who proved to be a good insurance risk, and many more. The book is entitled "Famous Last Words: 'It Can't Happen to Me.'" It is a well prepared booklet, which insurance men particularly will enjoy. The booklet bears a foreword from George J. Stewart, president of Stewart, Smith, Inc., international organization.

## COMPENSATION & LIABILITY SUPERINTENDENT

Excellent casualty company offering a good salary and advancement opportunities. Requirements 6-8 years experience, under 40.

**FERGASON PERSONNEL**  
330 S. Wells Street, Chicago 6, Illinois  
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## INSURANCE AND REINSURANCE EFFECTED AT

SURPLUS LINES  
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PROBLEM RISKS  
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World-wide Facilities



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Write for booklet which describes all facilities available to you. Business accepted only from Agents, Brokers and Insurance Companies.

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Since 1875  
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## Utah Agents Told Insurance Needs No More Regulation

Commissioner Hamel of Nevada, in addressing the convention of Utah Assn. of Insurance Agents at Salt Lake City, expressed the belief that there is no need for increased insurance regulation, and said that the regulation there now is can't be called insufficient. As a matter of fact, he vouchsafed, some of the regulatory authorities are presently assuming duties and responsibilities of management. In some states there is probably need for clarification and improvement of statutes.

Adjustment cannot be made overnight to the new regulatory pattern. There must be mutual understanding between the insurance industry and the state departments. The industry must see to it that state regulation is provided in adequate fashion if it desires to have the states continue to be responsible. It is important that adequate salaries be provided for the commissioner and staff; there should be an adequate budget so the commissioner can do the things he knows should be done, but is unable to do under present circumstances.

### Favor Civil Service Plan

He recommended that the entire department including the commissioner, be placed under civil service or a merit system basis provision for retirement income after 20 or more years. He said that he had submitted the Nevada department budget for the next biennium and this calls for a 50% increase. If this is granted the department will still be operating on about 9% of the revenue that it produces by way of the insurance taxes. Mr. Hamel included in his talk a list of specific questions that have been submitted to the department so as to indicate the range of the requirements that are made:

### Some Questions Propounded

Would you approve a policy of insurance to protect an insurance agent against loss as a result of bankruptcy of any of the insurance companies he represents?

We represent a nonprofit hospitalization service, and we wish to apply for a license to do business in the state, but before doing so, we want to know if we will be subject to the premium tax.

I have purchased a car for my 19 year old son. Where can I obtain insurance to protect him, myself and the car?

May we take into consideration the possible future dividend of a mutual fire company in determining the lowest bidder on the insurance for a new housing project?

For how long a period of time may a binder on a fire risk be written?

How can I determine, in writing an O. L. & T. policy, what classification to use on a place of business that is a combination of bar, restaurant and casino?

Is a warranty and service policy, sold to the buyer of a television set, an insurance policy according to our insurance code?

Does a fraternal have to submit its policies and rates to the insurance commissioner for approval prior to their use?

I bought an insurance policy from a certain company three months ago. Now I am pregnant. How much can I get?

May we issue the additional extended coverage under our present fire license?

My insurance agent tells me he can only sell me a standard fire insurance policy. I want a better policy than standard, and what right have you to tell me I can't buy one?

### Latham Gives Auto Facts

The need for agent cooperation in educating the public about the automobile situation was explained to the Utah agents by William L. Latham, resident secretary of Home Indemnity. Continuous education of the public,

agents and company employees is required if this problem is to be understood, Mr. Latham declared. He said the public does not know what it is getting for its premium dollar or have any real conception of the conditions, aside from inflation, which have contributed to the present difficulty. There is also the point to be considered of whether the public even cares.

After talking with a number of persons in different types of business, Mr. Latham said he has learned some of the shortcomings in educating the public on automobile insurance. For example, an executive, recognizing the

profit motive in stock casualty insurance, could not understand how the business had gotten itself in the position of 1950 and 1951 to lose so much money without having made a compensating profit earlier. A public accountant, while having a good idea of the agent's commission, did not know what kind of service he could expect from his agent and did not believe the agent earned the commission. A superintendent of schools was unaware of the problem of youthful drivers. He did business with the local agents but the subject had never been discussed, or at least not sufficiently to make a lasting impression.

A couple of high school seniors denied that the concern of the companies with teen-age drivers had any foundation in fact.

Regardless of what the companies or bureaus can do, the agent holds a position of immense influence in situations of this kind, Mr. Latham said. When the need of explanation of facts is evident, it should be made locally by the local agent so that if the subject again arises, the newspaper editor will have at least a minimum of fundamentals. When this is done by the local agent, the newspaperman knows who he can call to get an explanation.



The tag that helps stop a fire . . .

## BEFORE IT STARTS!

Helping spot fire hazards in your home town is all part of the job to your Fire Association-Reliance Field Man. He's always ready to work with you — your State Fire Prevention Association — or any local organization concerned — on a thorough town inspection for potential danger spots.

He'll help check on every industrial, commercial or public building — every school, church and hospital in town. And wherever he or his fellow inspectors find a fire hazard, up goes one of these red tags to mark the exact spot for corrective action.

Town Inspections are an excellent way to make people in your community fire-conscious — not just during Fire Prevention Week but 365 days a year.

They're also a fine example of the full company cooperation and support every Fire Association-Reliance Agent can count on — in handling every kind of insurance problem.

Head Offices: 401 Walnut St., Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto. Claims and Settling Agents throughout the world.



Fire Association

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Symbols of Security



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**STEVENS PLAN**  
A System to FINANCE  
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Descriptive Folder From  
Allan C. Stevens, White Plains, N. Y.

## NATIONAL BOARD FILM

## "Magnolia Story" Has Premiere at Its Birthplace

A National Board documentary film showing how stock fire company field men give free fire hazard inspections to towns throughout America was premiered at Magnolia, Ark., this week. Entitled "The Magnolia Story," the film is a pictorial record of a town inspection that took place at Magnolia last spring, staged by Arkansas Fire Prevention Assn., with the cooperation of the chamber of commerce and the local fire department.

The picture was produced by the National Board for showings by state fire

prevention associations and field clubs before public officials, civic clubs, schools, fire departments and other groups.

The film shows how the field men planned the inspection, and how they went through every public and commercial building in the city to locate more than 500 hazards in a three-day drive. It emphasizes that these inspections are entirely voluntary. A follow-up campaign showed that more than 60% of the hazards were corrected by owners within a few days after the inspection.

The field men's public education efforts are also shown. A colorful fire department demonstration, a parade, fire drills in the schools, and a fire clown stage show were used to draw attention to the three-day fire prevention campaign.

J. O. Ellis Co. is a new Seattle local agency. Mr. Ellis has been with Newton & Co. six years.

### AN AGENCY IS JUDGED BY THE COMPANY IT KEEPS



## A REAL WORKING PARTNER

Agents find the Northwestern policy to be a hard-working, productive partner. Back of it stands this Mutual company's fine record of dependability, prompt handling of claims, and dividends paid to policyholders. These are advantages that make sense to prospects and more good business for you when you "Write it in Northwestern". Contact our nearest office.



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Raleigh Salt Lake City San Francisco Vancouver, Canada

## William B. Calhoun, Former President of N.A.I.A., Retiring

William B. Calhoun, nationally known local agent of Milwaukee, is retiring after 55 years in the business there Sept. 30. He and his wife will make their home in Florida. They will first stay in the Orlando area before making a permanent selection. He started his long and active career in 1897 with the local agency of W. T. & Loyal Durand as a young man. In 1903 he became a Wisconsin field man for Home and in



WILLIAM B. CALHOUN

1908 became state agent of Fire Association. In 1912 he went back into local agency work for three years and then represented North America in the field for five years. In 1920 he formed a partnership with his brother, Allan R., to form the Calhoun Insurance Agency, from which he is now retiring.

He was one of the founders of the Blue Goose at Green Lake, Wis., in 1906, and is a past president of the old Wisconsin Field Club, predecessor of the present Wisconsin Fire Underwriters Assn. He is secretary-treasurer of Milwaukee Board of Underwriters, having served since the death of Joseph Grundle in 1947 as secretary and later as secretary-treasurer. Mr. Calhoun was vice-president of the board 1921-1924 and president 1924-1927. He served as president of Wisconsin Assn. of Insurance Agents from 1921-1934, and again 1932-1934.

In the N.A.I.A. he was chairman of the fire prevention committee 1924-27; finance committee, 1927-30, executive committee in 1930 and was elected national president at Los Angeles in 1931. He was again named to the executive committee at Philadelphia in 1932. His

song leadership at the opening of N.A.I.A. conventions has become tradition. He is attending the Cleveland convention this week.

## Deductible Clause Uses Described in Tax Report

J. K. Lasser describes use of deductible clauses in property insurance contracts in his report on taxes published by Business Reports, Inc., New York. He explains the value of a \$500 deductible over a \$50 deductible policy, both from the point of view of the premiums and, if collection is necessary, from the point of view of adjustability of the loss on tax returns.

Mr. Lasser writes: "Take a collision insurance policy on your car which includes a \$500 deductible clause. In Manhattan, cost of the insurance is roughly \$51. Insurance on the same car with a \$25 deductible clause will cost about \$250. That's \$199 for \$475 worth of insurance—if you don't have an accident."

"What happens if you have an accident? You have a \$500 collision. On the \$500 deductible policy you have no insurance recovery—but you do have a fully deductible tax loss. You're in the 62% tax bracket. The real cost of your accident after taxes is \$190. Uncle carries \$310 of the loss by allowing you casualty deduction. Add your \$51 insurance premium to the \$190 and total cost is \$241."

"On the \$25 deductible policy, you recover \$475 from the insurance company. You have a deductible tax loss of \$25. The tax saving on the deductible loss is \$15.50—your accident costs \$9.50. Add your \$250 insurance premium to the \$9.50 and total cost is \$259.50."

"You actually lose by being fully covered. If your income were higher, the spread would be even more."

## Va. Agents Assail Idea of U. S. Stamp on Mutual Theme

Virginia Assn. of Insurance Agents in its house organ is calling on members to register opposition to the idea of the Postoffice department issuing a commemorative stamp in connection with the observance of the 200th anniversary of mutual insurance. According to the Virginia bulletin, National Federation of Stamp Clubs in its latest bulletin reports that a resolution asking for such a stamp was adopted by the Kemper Insurance Stamp Club of Evanston, Ill., of which William S. Smith is the president. The Virginia bulletin expresses the belief that no special interest or segment of any business or industry should receive "such priceless publicity and beneficial advertising at the expense of the taxpayers and the patrons of the U. S. mails."

Frank H. Cron, Eldorado, Kan., local agent, and Mrs. Cron observed their golden wedding anniversary there last week.

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# U. S. Well Represented at Knocke Marine Parley

By W. JUUL

Foreign Editor, the Review, London

The seventh post-war meeting of International Union of Marine Insurance was held at Knocke, Belgium, Sept. 1-6. American Institute of Marine Underwriters was represented on the council by Owen C. Torrey, president; Frank B. Zeller, 1st vice-president, and Owen E. Barker, 2nd vice-president, while Harold Jackson, McGee & Co., is one of the executive vice-presidents who has throughout taken a keen personal interest in the Union's affairs even to the extent of crossing the Atlantic last June solely to attend a meeting in London of the executive council of the Union.

Other well-known U. S. personalities present were Hawley T. Chester and Walter Gherardi, Chubb & Son; Henry C. Thorn and John A. Diemand Jr., Ins. Co. of North America, and F. Porter Gore, Francis C. Carr & Co., New York.

The cargo loss prevention committee has issued a substantial report which is being widely circulated to national associations. It was regretted that as the Union meeting clashed with the Hemispheric Conference at New York it was impossible for John T. Byrne to be present and deliver a report on Freedom of Insurance. The relevant committee has now been dissolved as the Union has obtained consultative advisory status as a Class B body with the economic and social council of the United Nations. Carl Briner will now take Mr. Byrne's place at the meeting in Paris Oct. 1 of the transport and communications commission of International Chamber of Commerce. Due notice was taken of the desire of the U. S. government as far as practicable to get an anti-discriminatory clause relating to marine insurance inserted in future trade treaties with other countries.

## Extended Cover After Discharge

At the full meeting Dr. F. Sohr, Brussels, and R. A. J. Porter, chairman of Lloyds Underwriters Assn., introduced the subject of extended cover after discharge. In the ensuing debate Mr. Barker expressed the American view.

In the council meeting Mr. Porter also touched on the subject of excessive

## Union of Aviation Insurers to Meet at Venice Oct. 7-10

A. J. Smith and Carl Fisher, vice-presidents, and Woodrow J. Van Hovan, manager of foreign business of U. S. Aviation Underwriters, will attend the annual meeting of International Union of Aviation Insurers at Venice, Italy, Oct. 7-10. The group will leave Sept. 24 and return a month later. The International association includes representatives from England, the continent and Egypt. U. S. Aviation joined in 1936.

## Farm Underwriters to Show "Indestructible Triangle"

The "indestructible triangle of capital stock fire insurance, the accredited local agent, and the insured," will be featured at the display booth, sponsored by the Farm Underwriters Assn., Sept. 30-Oct. 4 at the Dairy Cattle Congress at Waterloo, Ia.

Visitors to the booth will receive handbills, pamphlets and a good deal of sincere talk underlining the association's interest in the agricultural industry.

Situation of the booth at the congress, its layout and its message are in the hands of the public relations committee of Iowa Fire Underwriters Assn., assisted by Iowa Assn. of Insurance Agents, and the Waterloo association.

Members of the three associations will man the booth.

deductions from cargo premiums. He feels that low as the cargo rate may be—since the business is so frequently written on the back of the war risks rate—the position would not be so bad if underwriters kept more of their premiums to pay for the claims instead of scattering bits of commission here or there. He evidently regrets that the 10% commission was ever introduced

by British cargo underwriters instead of merely a brokerage but probably realizes that probably nothing can be done to remove that traditional feature of British underwriting.

Inquiries are being made as to whether the council can meet next year in Spain. The meeting will take place the first part of September.

As to restrictive and nationalistic legislation, the council was informed that the resolution taken at last year's meeting has been ratified by 27 members while the remaining eight members have not been able to fully agree to it. However, of these eight members five allow private insurance companies to operate. The restrictions in these five countries

refer, therefore, only to questions of reinsurance and tariffs. The overwhelming majority of the members, therefore, support the principle laid down in the resolution. The members of the Union are urged to recommend to all those interested in these problems in their own country that their governments should endeavor to obtain a clause in the treaties of friendship, commerce and navigation which they are concluding with other countries, whereof "neither party shall impose any measure of a discriminatory nature preventing or hindering the importer or exporter of products of either party from obtaining marine insurance on such products in companies of either party."

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## Stanz Sees Agent Need of More Pay

Commission increases to brokers without commensurately larger commissions to agents were criticized by William F. Stanz, president Brooklyn Insurance Agents Assn., at the opening fall meeting. He noted the broker scale in the Brooklyn area has been 15% for many years, with a 10% overwriting commission to suburban agents, plus a contingent. The general agent paid his sub-agents 20%. He is responsible for collection of balances and performs the duties of a home office.

Now, the new scale to agents who formerly received 20% is 25%, an increase that must simply be passed on to brokers. However, the general agent now pays 5% more to his sub-agents and brokers, while the latter's commission

is increased 2½% to 32½%. Not all companies have announced even this change, he said.

On the change, the general agent is out 2½ points. Certain companies have written brokers announcing they would pay 20%, before agents even heard of the change. Thus, he said, his own companies are competing with his brokers, using 5% as the bait. He noted that the agent's costs have not gone down.

Mr. Stanz also urged that multiple line companies write more liability business. Insurers with multiple line powers should make available to their agents the now dormant capacity for writing additional premiums in the casualty lines. The agents representing a number of companies follow in practice the policy of spreading their fire premiums, and it should be practical to do the same thing with casualty risks. If this were done, no insurer would be

asked to write any large volume, but collectively several companies could absorb a considerable amount of volume. This could make all the difference in the present tight casualty market, he said.

## Indiana U. Now Offering Courses at Three Centers

Evening courses in insurance started last week at the Indianapolis, South Bend and Fort Wayne centers of Indiana University. The program is under the general direction of Prof. J. Edward Hedges, head of the insurance department at Bloomington.

Casualty insurance is being given at South Bend Mondays at 5 p.m., in the Central High School building with R. E. Bassett as instructor. George Hacker is conducting the course in principles of insurance at Fort Wayne, at 8 p.m. Wednesdays in the Indiana University center building, and a review for parts I and II of C.P.C.U. is being given there on Wednesdays at 5 p.m. There are two sections of the casualty course at Indianapolis on Mondays, one at 5 p.m. and one at 7 p.m. Fire and marine is given there on Thursdays at 5 and there are two C.P.C.U. reviews, parts I and II and part V, both on Mondays at 5 p.m.

## Randall Organizes New Agency at Raleigh

RALEIGH, N. C.—Harry R. Randall, who has been vice-president of Associated Insurers here, has sold out his interest in that agency and organized Randall Insurance Agency, located at 512 St. Mary's street. Miss Florence B. Cooke will be associated with him as office manager.

Starting in the life insurance business in 1929, Mr. Randall, who is a C.L.U., went into the general insurance business with Associated Insurers, of which H. H. Murray, Jr., is president, in 1942. He was president of North Carolina Assn. of Mutual Insurance Agents in 1950 and is now a director of the association. He was given the W. Emert Swigart award for the most outstanding contribution to insurance in North Carolina in 1951. He is active in the Raleigh Y. M. C. A., Community Chest and Rotary Club and a charter member of the junior chamber of commerce.

Dwight Smith, head of Smith, Stone, Snyder agency, Wichita, has been released from Wesley Hospital, where he had been confined the past month following a heart attack, and is now at his country home recuperating.

## M.P.I.R.O. Members, Subscribers Listed

Members of Multiple Peril Insurance Rating Org. are shown below. Companies are named individually because in some instances not all companies in a group are members.

Aetna Fire, Agricultural, American Alliance, American Employers, American, American National Fire, American Surety, Assurance of America, Boston, Bankers Fire & Marine, Centennial, Central States Fire, Central Surety, Century Indemnity, Connecticut Fire, Connecticut Indemnity, Detroit F. & M., Empire State, Employers Fire, Employers Liability, Equitable F. & M., Eureka-Security F. & M., Fire Association, Fireman's Fund Indemnity, Fireman's Fund, Glens Falls, Great American Indemnity, Great American, Home F. & M., Home Indemnity, Home, Indemnity of North America, North America, Northern of New York, Massachusetts F. & M., Mercury, Minneapolis F. & M., Monarch Fire, New Zealand, Old Colony, Pearl, Philadelphia F. & M., Phoenix of Hartford, Providence Washington Indemnity, Providence Washington, Reliance, Rochester American, Security of New Haven, St. Paul F. & M., St. Paul-Mercury Indemnity, Standard of New York, World F. & M.

Subscribers are Atlantic Mutual, Bankers & Shippers, General Accident, Jersey, Pacific Fire, and Potomac.

According to Roy C. McCullough, manager, companies in M.P.I.R.O., wrote in 1951 41% of the total fire only premiums countrywide among all companies entered in New York.

## Mutual Rally at St. Paul

Several nationally-known mutual leaders were speakers at the annual meeting of Minnesota Mutual Insurance Assn. E. F. High, Columbus, O., president of the National Assn. of Mutual Insurance Agents, spoke on "Golden Opportunities," and Lynn Minzey, vice-president of Auto Owners, Lansing, Mich., on "Emphasis in Insurance."

Federal taxation was discussed by George D. Haskell, American Mutual Alliance. D. F. Raihle, vice-president, Hardware Mutual of Minneapolis, talked on the 200th anniversary of mutual insurance and E. J. Raabe, secretary, Central Mutual of Ohio, on inland marine.

## Form New Columbus Agency

John M. Miller and William C. Cook have formed the Miller & Cook agencies at Columbus, O. Mr. Miller is a trustee of Insurance Board of Columbus. Mr. Cook has been a director of Republic Indemnity.

Insurance Women of San Antonio heard J. D. Wheeler, director of compensation insurance for the Texas department, discuss that form of insurance.

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## Hartford Goes on Direct Basis in Ark.

Hartford Fire and Citizens of New Jersey on Oct. 1 will commence operating on a direct basis in Arkansas. Heretofore, these companies have been operating in that state through the E. E. Raines & Co. general agency of Little Rock.

The western department at Chicago will supervise Arkansas activities. The office in that state will be at 301 Wallace building, Little Rock, but later the companies intend to have a more central location.

Rufus Cates will be in charge of Arkansas operations. He has been at Knoxville, Tenn. after having previously been at Chicago in underwriting and brokerage work. He will be assisted by M. J. Rice, who was formerly connected with E. E. Raines general agency and Willard McDermott, who has recently been located in Indianapolis, and before that was at Chicago.

## Annual Payment Plan Offers Agency Termination Puzzle

One of the problems that arises under the plan for annual payment of the term premium is what to do upon the termination of an agency in respect of extending authority to the agent to service the business for which premiums are to be collected annually. The most common answer is to enter into a contract limiting the agent's authority to the collection of premiums on such business and the remittance to the insurer. Some companies have a printed form that is an endorsement to the agent's contract.

## R. W. Page in New Post

Robert W. Page has joined the insurance advisory organization known as Smith Insurance Service at Boston which engages in commercial appraising and independent advisory and management work. Mr. Page entered the insurance business in 1934 and was insurance advisor with Federal Public Housing Authority during the war years. He started his own business in 1947. He has also worked for Liberty Mutual and Employers Liability.

## Ky. Auto PHD Rate Changes

Rate revisions that have been approved in Kentucky include reductions in private passenger fire, theft, comprehensive tariffs as much as 25%, reductions in the \$100 deductible collision for private passenger cars averaging 5% and an increase in the \$50 deductible collision averaging 5%.

The revisions in the commercial car classifications are generally downward, but there are some increases on collision premiums for truck type tractors and higher priced commercial vehicles. It is estimated that the annual premium savings from the entire program exceed \$500,000. The fire, theft and comprehensive changes are estimated to

equal \$832,000 reduction in premiums and collision changes equal \$292,000 increase.

## Louisville G. & E. Demands American Insurance Only

LOUISVILLE—The action of Louisville Gas & Electric Co. in specifying to agents that its insurance hereafter should be written in American companies only has aroused much interest and comment among both local agents and field men. It is reported that a committee may be named to talk to T. B. Wilson, president of Louisville G. & E., in an effort to find just what is behind the move.

It is stated that L. G. & E. has not been an especially profitable line, with a reported 50 to 55% loss ratio. The line is now about \$70 million, but with enlargements and improvements will shortly be \$90 million to \$100 million.

## Ohio Farmers Contingent

Ohio Farmers companies were represented at the N.A.I.A. meeting by C. D. McVay, president; J. C. Hiestand, vice-president; C. E. Curtis, general counsel; W. W. Waters, assistant secretary, and D. D. Montgomery, agency superintendent, all from LeRoy.

## A. T. Persson, Jr., to Coast

A. T. Persson, Jr., has been transferred by Toplis & Harding, Wagner & Glidden, adjusters, to San Francisco in the fire department. Mr. Persson, after graduating from college, was in the armed forces for several years, following which he has been with the adjusting firm, of which his father is president, in Detroit and Chicago.

## Hold Tioga-Potter Outing

The annual outing and dinner of Tioga-Potter Assn. of Insurance Agents was held Sept. 17 at Coudersport, Pa. The dinner speaker was Ralph Wherry, head of the division of insurance and real estate of Pennsylvania State College.

## Two Join Cloud Adjusting

Ray R. Cloud, II, and J. T. Nason have joined the R. R. Cloud & Co. adjustment organization of Baton Rouge, La. Ray Cloud has seven years' experience in loss work, having been with General Adjustment Bureau at Shreveport and Bay City, Tex. Mr. Nason is a graduate of Louisiana State University and has been with Motors Ins. Corp. and General Adjustment Bureau.

## Denton Salem, Ore., Head

R. D. Denton has been elected president of Salem (Ore.) Assn. of Insurance Agents. Earl D. Bourland is the new vice-president, C. B. Byrd, secretary.

## Reviewing Wash. Experience

Fire insurance rates in the state of Washington are up for a statutory five-year review by the insurance commis-

sioner, a task which likely will be completed within the next six to eight weeks. The experience of all types of carriers will be reviewed.

Experience on dwellings is expected to be good, probably better than on dwelling contents. Producer groups throughout the coast area are urging broadening of the dwelling form rather than a rate reduction.

Fred Rohde of the Zork & Lutz agency, San Antonio, who has been a flight commander the past two years in

the east, has returned to the agency. While in the east he was in command of a weather squadron which flew into the typhoons for observation of atmospheric conditions.

## Forum Hears C. A. Mueller

C. Albert Mueller, chief assistant to Commissioner Maloney of California, addressed the Sept. 25 meeting of the Fire Underwriters Forum of San Francisco on "Know Your Insurance Department."



This compact "slide-guide" gives rates at all ages for 16 different types of life, endowment, retirement income and term insurance. In addition, there's information on insurance for children and family income contracts.

With a Connecticut Mutual "Rates at a Glance" guide you can be prepared to quote a life insurance rate any time. It's only four by eight inches so you can always have it with you.

This is only one of many valuable aids to simplified and more successful life insurance selling that The Connecticut Mutual offers fire-casualty

agents and brokers who are interested in writing life insurance. For years we've worked with fire-casualty men and helped them cash in on the life insurance sales available among their clients and prospects. There's printed material that will give you exactly what you need to handle life insurance. If you need selling help, we have men who know the subject thoroughly to work with you.

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## RESERVATIONS, ETC.

Special Unit at  
Phoenix Is Helpful

One unusual feature of the new home office of the Phoenix in Hartford is a special services division. This was installed at the suggestion of President John A. North.

Under Joseph Q. Breen, it handles all the hotel and travel reservations of executives, auditors and others who travel on company business. It makes arrangements for conventions of field men. In addition it arranges and conducts tours through the new building, it has available vacation and travel information for employees, and it is in charge of the recreational facilities of the building, such as the auditorium, which is from time to time used by outside civic and other organizations.

It also secures travel and hotel information for agents who may be visiting the home office.

The division has been in operation long enough to prove a great time saver. Previously, each person making plans to travel on company business had his own girl make reservations and arrange for hotels. There was much duplication in the gathering of information.

Mr. Breen now and then visits hotels and railroads to establish personal contact with personnel dealing with the public. He learns who to talk with, in case the No. 1 person is not available. He gathers a lot of miscellaneous information that is usable to those traveling for the company.

Leonard Welsh has set up an agency at Nashville, Ind., representing Indiana Farmers Mutual, Indiana Union Mutual and Jefferson National Life. Mrs. Agatha Roberts will be in active charge.

Claim Association  
Elects Bernhard

Frederick T. Bernhard, Home Life of New York, was elected president of International Claim Assn. at the Hot Springs, Va., annual meeting. He succeeds Ralph T. Heller, Prudential. James H. Wainwright, Canada Life, is vice-president, and Louis L. Graham, Business Men's Assurance, and F. L. Templeman, Maryland Casualty, were reelected secretary and treasurer respectively.

Edward J. Bohne, Equitable Society, is new executive committee chairman. There was a record attendance, 350 members and delegates representing 134 companies being on hand. The address of welcome was given by Commissioner Bowles of Virginia. One of the convention highlights was a group seminar in which questions on group A. & H. and hospitalization were discussed in detail by a panel consisting of George Lane, Metropolitan Life, chairman; George B. Hagan, Equitable Society; H. S. McGranahan, John Hancock; C. E. Goss, Confederation Life; Kenneth Barrows, Bankers Life of Iowa, and J. R. Bracewell, Provident L. & A.

Narrow Escape for Eight  
Philadelphia Insurance Men

Robert E. Foulkrod, Sr., Philadelphia agent, and Wendell A. Simonson, middle department manager of Employers Group, were badly hurt, and six other insurance men were injured less severely when the yacht they were aboard exploded near Chesapeake City, Md. The others in the party who were only slightly burned, bruised or cut were Robert E. Foulkrod, Jr.; Lloyd Berger, claim supervisor for Employers Liability; Harold Jones, superintendent of the automobile underwriting department; William Thompson, office manager; Robert Freas, liability underwriter, and Charles Allen, a broker in the Foulkrod agency.

Mr. Foulkrod, Sr., and Mr. Simonson were hospitalized. Mr. Foulkrod with cuts about the head and body and with second degree burns on his arm and chest, and Mr. Simonson with a broken leg and cuts and bruises.

The party had boarded the yacht at Georgetown, Md., for a day's outing on the Delaware and Chesapeake Canal. They stopped at Chesapeake City in the afternoon for fuel, and the boat had only left the dock when the first explosion occurred. Some of the party were blown into the water and others jumped overboard before the second explosion.

## Belgrano to Speak at S. F.

Frank N. Belgrano, Jr., former president of Pacific National Fire and now president of First National Bank of Portland, Ore., who was recently made a director of Transamerica Corp., will speak at the all-industry luncheon at San Francisco Oct. 8 on "A Banker's Thoughts on Insurance in Our Economic System."

Dean Harry J. Loman of American Institute for Property & Liability Underwriters, will confer the C.P.C.U. designation on 10 successful candidates. John Henry Martin of Standard Forms Bureau will serve as master of ceremonies. The Northern California C.P.C.U. is sponsoring the luncheon.

## New Wash. Committee Chiefs

Matt F. Maury, president of Washington Assn. of Insurance Agents, has appointed Lynn M. Latta, Yakima, chairman of the fire contact committee, which will meet with the Washington advisory committee at Seattle Sept. 30-Oct. 1.

Other new committee chairmen are: Thomas A. Harman, Seattle, casualty; B. A. Slangenaupt, Jr., Chelan, rural agents; Ed Munro, Seattle, and V. R. Lee, Chehalis, legislative; Al J. Erdman, Vancouver, traffic safety; G. O. Moen, Jr., Mt. Vernon, and Clifford F.

Couey, Spokane, membership; John L. Warne, Seattle, workmen's compensation.

## Lewis County Agents Elect

John M. Benedict of H. C. Coffman & Co., Chehalis, Wash., has been elected president of Lewis County Insurance Agents Assn. He succeeds R. H. Monfort of Chehalis. Glen H. Putnam, Centralia, is vice-president and William R. Lee of V. R. Lee & Sons, Chehalis, is secretary.

## Ask Fla. School Rate Cut

Directors of Florida Assn. of Insurance Agents at a meeting at Jacksonville decided to make formal request of S.E.U.A. and Florida Inspection & Rating Bureau for a decrease in fire insurance rates on schools. Marvin D. Adams of Miami, the president, said this was done on the basis of a study of 10-year losses. He said that similar studies are being conducted on other public buildings. The rating authorities were asked to make an "appropriate" study of the school insurance rate structure to determine how much of a reduction should be made.

George G. Teate of Jacksonville was appointed chairman of the fire prevention committee; Sidney Singleton of Orlando, legislation; George Bowler of West Palm Beach, rates, and Richard McKay of Tampa, accident prevention.

## Burgess Agency Moves

The Burgess insurance agency is now operating from new and larger quarters at 110 West Sixth street, Joplin, Mo. This agency was started in 1916 by the late George W. Burgess. In 1919 the Walker insurance agency was purchased and Al C. Burgess became a partner with his father. In 1921 Al Burgess purchased his father's interest and in 1948 the agency was incorporated. In 1950 Al C. Burgess, Jr., joined the agency and in 1952 W. W. Davis, Jr., formerly with Western Adjustment, became an associate manager. In addition to those officers the agency embraces W. A. Milligan and Robert D. Wade, who was with Prudential and who joined the agency early this year.

## Minn. Farmers Mutual Shifts

L. D. Sheppard, who has been in the insurance business at Des Moines since 1935, has been appointed state agent of the Minnesota Farmers Mutual companies. He succeeds Spence Broughton, who will become special agent in Illinois and Indiana.

## Discuss F. P. Week Plans

Fire & Casualty Agents of Wichita, Inc., opened the year with a luncheon. Ewing B. Fergus, Kansas Inspection Bureau, outlined the Wichita Fire Prevention Week program as sponsored by the fire prevention committee of the Chamber of Commerce. The association voted to sponsor movie trailers in all Wichita theatres that week. E. M. Van Horn was program chairman.

## Kaufmann St. Paul President

Kenneth Kaufmann of the Kenney Co. is the new president of Insurance Agents Assn. of St. Paul. C. L. Cyrtar was reelected secretary-treasurer.

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## C.P.C.U. Rally Held at St. Louis

(CONTINUED FROM PAGE 1)

the public relations committee envisions an expansion of such special study programs to a national plane.

Dr. Harry J. Loman, of American Institute for Property & Liability Underwriters, outlined its plans for supervising and integrating the educational courses of Insurance Institute of America as feeder courses leading to C.P.C.U. courses. He said his organization would recommend that the revised Insurance Institute program be supervised locally by C.P.C.U. chapters as sponsors. It is being revised into three fundamental courses on insurance principles and a certificate only will be awarded for their completion. The institute's fellowships and associate memberships are to be abandoned.

The society will hold its 1953 annual meeting at Philadelphia and at Chicago in 1954. Past-president Hal Gullede, Dallas, was presented a certificate of appreciation for his leadership in 1951.

### Conferment of 1952 Designations

At the all-industry luncheon, attended by representatives of all branches of insurance in the St. Louis area, Dean Loman officially conferred the C.P.C.U. designation on the 187 successful candidates this year and gave the charge to the 66 designees 187 who were in attendance.

J. C. Penney, board chairman of the J. C. Penney Co., national retail chain, told the luncheon that personal responsibility is the price of freedom.

Elmer D. English, president of the St. Louis chapter, presided at the luncheon and introduced leaders of various Missouri insurance organizations who were guests at the head table.

A discussion of developments in multiple peril policies on personal-residential lines featured one seminar session. Most of the talks at the session were reviewed last week. The open discussion centered around the need for some degree of uniformity in the development of M.P. policies to avoid confusion both to the public and within the industry. Underwriting of M.P. policies, relation to the inland marine nationwide definition, and whether or not flood coverage should be included also were discussed.

At the seminar on public relations Joseph G. Romans outlined a plan of action for C.P.C.U.'s to follow.

Seminar sessions also were held on reinsurance problems with Donald Chadwick, William F. Seitz, and Gerrit S.

Collier, New York, as discussion leaders, and on establishment of building valuations for insurance purposes. The latter was based on a special study of the Pacific chapter with W. E. Winebrenner, Los Angeles, William E. Brady, and Otto P. Freilinger, Chicago, as leaders. The self-insurance seminar was led by E. L. Werner, St. Louis, and another panel consisting of Henry K. Duke, Cumberland, Md., John B. Walker, New York, John Roach, Chicago, and Eldridge J. Freeman, Philadelphia, analyzed and discussed various techniques of risk analysis and survey work. The moderator was Frederick J. Flynn, Jr., New York.

Educational and public relations problems of C.P.C.U. chapters came in for study with John D. Phelan of Indiana as moderator. Participants were Hugh Donovan, Hartford; John P. Scanlon, Muncie, Ind.; M. Paul Middlekauff, Jr., Detroit; W. E. Winebrenner of the Pacific chapter and Robert O. Young, Cleveland.

### L. A. Cherry Forms Own Adjusting Firm in Ky.

L. A. Cherry has opened an independent adjusting office at Middlesboro, Ky., doing business as Cherry Adjustment Service. He was with Western Adjustment commencing in 1929 and served at Terre Haute, Ind., Paducah, Madisonville and Middlesboro.

One of his brothers, George T. Cherry, who was regional supervisor for Western Adjustment at Omaha, just recently formed his own independent adjusting office in that city. There are two other brothers in the insurance business, they being R. V. Cherry and James A. Cherry, who operate the Cherry local agency at Carbondale, Ill. R. V. Cherry at one time was assistant general manager of Western Adjustment.

### Ford Goes to San Antonio

D. W. Ford, marine special agent for Home at Houston, has been transferred to San Antonio, where a full marine department has been set up.

### Buyers Council in New Home

Insurance Buyers Council, the advisory service for insured that is operated by Dwight W. Sleeper, has moved into its newly constructed home office building at Harwich Port, Mass.

### H. W. Nunn Is Promoted

American Plan Corp., which specializes in automobile insurance emanating

from financial institutions, has named Harold W. Nunn as agency supervisor. He was formerly with Motors and General Exchange as regional auditor, and has been with American Plan Corp. since 1951, supervising underwriting.

### Hartford Veterans Honored

The Three Hartfords' Men's 25-Year Club honored 176 members at an informal dinner given by the companies.

Michael Zizzamia, Hartford Fire, was elected club president. He succeeds Jack Cheney, Hartford Accident.

### Lafayette Agents Elect

Lafayette (Ind.) Assn. of Insurance Agents has elected Louis Linderman president to succeed John T. Briggs; Herbert Overton, Jr., vice-president; William Blumer, secretary, and Harold Brelsford, treasurer.

### Berkshire Mutual Changes

James D. Cox, Jr., has been named vice-president of Berkshire Mutual Fire. Mr. Cox, who has been operating the Cox Mutual Agency at New York City, will join the company Oct. 1.

Fred Hodgdon also will join the company Oct. 1 as chief underwriter and auditor. He has been with Joseph Froggatt & Co., accountants at Boston, since 1944 and before that was with Improved Risk Mutuals.

Harold L. Emerson has been named special agent in Maine and New Hampshire. He started in the business with his father at Highland Falls, Me., and more recently has been in the Massachusetts field for American Druggists Fire.

### Camden Fire Pays Extra

Camden Fire has declared an extra dividend of 10 cents as well as the customary 50 cents semi-annual dividend, both being payable Nov. 1 to stock of record Oct. 10. This is the first time Camden has paid an extra since 1949.

### New Halifax President

John A. Walker has been elected president of Halifax Ins. Co., in succession to the late President F. B. McCurdy, who died Aug. 29.

Mr. Walker is a member of the legal firm of Walker & Dunlop, and is a director of Maritime Life and Nova Scotia Trust Co.

### General Guaranty Under Way

General Guaranty of Winter Park, Fla., that is sponsored by the Ralph H. Ely general agency, has commenced

business with a paid-up capital of \$100,000 and net surplus of \$100,000. The authorized capital is 30,000 shares of \$10 par value stock. Shares are being sold at \$20.

### Harbor Would Sell Stock

Harbor Ins. Co. of San Diego has applied to the California department for a permit to sell 18,738 shares of its \$5 par stock at \$18 per share to increase its writing capacity.

### Martin at Zone 1 Rally

Connecticut Commissioner W. Ellery Allyn led discussions at the meeting of zone 1 insurance commissioners at Portland, Me. Mr. Allyn is chairman of the zone. Wade Martin, president of N.A.I.C., attended.

### International Cooperation

John F. Johnston, President of Oakley, Vaughan & Johnston, told the Young Men's Board of Trade at New York that post-war inflationary conditions have increased the need for international cooperation in insurance and reinsurance.

He said every effort must be made to induce foreign carriers to participate in the reinsurance market.

Inflationary problems must be surmounted by a revision of the rating and reserve structure of both primary insurance and reinsurance, he said.

Before reinsurance facilities can handle automobile liability, Mr. Johnston said, the problem, one of the most pressing today, must be relieved.

### Pledges Aid to CD Work

N.A.I.A., which has been asked by the federal civil defense administration to spearhead a volunteer registration campaign for CD work the week of Nov. 11, has pledged its complete support.

### Northeastern Fetes Miss Burns

Miss Mary L. Burns has been appointed assistant treasurer of Northeastern of Hartford. Officers and fellow employees gathered at a dinner Tuesday to honor Miss Burns, who is celebrating 40 years of service with the company. She was presented a certificate of her election to the official staff by Vice-president F. E. Amidon, in the absence of William J. Langler, president, who was out of town on business.

Insurance Women of Sioux Falls, S. D., resumed their luncheons, there being 64 on hand for a style show and luncheon at the September meeting.

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## NEWS OF FIELD MEN

### Great American Revises Ohio and Michigan Setups

Great American is making important organizational changes in Ohio and Michigan.

In Ohio a new administrative and field organization is being formed with headquarters in Columbus. Under the supervision of the Chicago western department, W. O. McLelland assumes managerial duties for the entire state for all fire companies. He has been a vice-president of American National of the Great American group for many years, and is widely acquainted among Ohio agents.

The territory of each Ohio field man has been designed to reduce traveling time and to enable them to give greater service in a small area.

All the Great American fire companies will be represented by each field man, they being David Zeiser, district manager, and F. C. Mentzer and Richard L. Kubicek, special agents, all of Cleveland, handling Cleveland and five counties; M. W. Buelow, special agent, Cleveland, handling Akron and eight counties; P. Paul Desmond and C. A. Grundemann, special agent, both of Cincinnati, handling that city and nine Ohio and two Kentucky counties; and L. H. Wiggins, district manager, Columbus, handling that city and four counties; J. F. Heller, Jr., special agent, Columbus, handling west central Ohio, including 13 counties; J. J. McKinley, special agent, Columbus, handling To-

ledo and northwestern Ohio, and R. R. Ragan, special agent, Columbus, for southeastern Ohio.

Assistant Secretary Walter A. Harvey is being transferred from the Chicago western department to Michigan, to be in charge of Great American's entire operations in that state. He has had many years as state agent and more recently has been in charge of Chicago and Cook county and St. Louis operations, as well as supervising underwriting for a number of states.

Hubert Lehr continues executive duties with respect to corporate affairs of Detroit F. & M., and will assist Mr. Harvey with underwriting. Wallace G. Brownson and Francis G. Talbot will assist Mr. Harvey.

Succeeding Mr. Harvey as manager of Chicago and Cook county and of St. Louis, is Calvin T. Hoskinson, who has been with the organization for the past year. He was formerly with Home.

Maurice F. Radtke has been appointed special agent in Oklahoma. He attended northern Illinois State college and since then has been in the Chicago western department.

ance, and has completed an intensive training course at the home office at New York.

### Royal Exchange Revises New York State Setup

Royal Exchange has appointed Edward H. Noonan special agent at Syracuse, N. Y., servicing the Rochester, Buffalo and Syracuse territory except Franklin county. He has had several years experience in fire underwriting and inspection work at the New York head office of the group.

James T. Wright, special agent, who until recently covered the entire upstate territory of New York, will service the territory of the Albany district office including Franklin county, as well as the suburban district of New York. He will maintain his office at Flushing.

Henry Tesche, state agent for New York state, will supervise over-all duties covering all sections of the state. He will continue his office at Flushing.

### Missouri Field Groups Meet

Emmett Cox of Western Actuarial Bureau was a surprise speaker at the joint dinner meeting of Missouri Fire Prevention Assn. and Missouri Fire Underwriters Assn. at Jefferson City. He spoke on "Fire Prevention and the Town Inspection Program" and complimented the Missouri field men on their successful fire prevention activities. He also touched on the fine results from the Missouri Caravan tours.

The Fire Prevention Assn. took up plans for Fire Prevention Week and the town inspection program that is to open Sept. 25 at Vandalia.

Missouri F.U.A. heard committee reports including that of the public relations committee on tentative plans for the 1953 tours of the Missouri caravan. Some time also was devoted to a discussion of the 9-point program of public relations suggested by W.U.A. public relations committee and its application to Missouri.

### Turner Office Has Changes

A. H. Turner, manager, of Atlanta has transferred E. G. Herring from the Florida field to North Carolina, where he replaces John S. Bost, who has gone into the local agency business at Winston-Salem. Mr. Herring will have headquarters at Greensboro.

A. J. Marshall replaces Mr. Herring in the Florida field, with headquarters at Jacksonville.

Fire Prevention Assn. of Ohio will inspect Martins Ferry Nov. 19. Paul W. Down, Commercial Union, Columbus, is chairman.

Ohio Fire Underwriters Assn. will meet at Columbus Oct. 14. The film, "I Take Risks," will be shown.

California Blue Goose, Los Angeles, will hold a southern barbecue Oct. 31, and its annual dinner dance Nov. 29 at Oakmont Country Club, Glendale.

## CHICAGO

### EXAMINERS HEAR DAVIDSON

The position Factory Insurance Assn. plays in fulfilling a basic need of the fire insurance business was outlined by James Davidson, assistant manager of F.I.A. at Chicago, at the first meeting of the season of Assn. of Fire Insurance Examiners.

Pointing out that if F.I.A. did not exist its services would have to be carried out by the companies individually, the speaker emphasized that fire prevention and inspection of risks are the principal tasks. He noted that F.I.A. was formed by combining three regional organizations of a comparable nature, and now operates nationally. Membership numbers about 100 stock companies, with the largest participation of any single one being 6 1/2%, and the smallest

### Georgia Field Club Elects L. J. Saye as President

Stock Fire Insurance Field Club of Georgia at its annual meeting at Simons Island elected L. J. Saye, Home, president; Eugene C. Clarke, Jr., New Hampshire Fire, vice-president; J. D. Ambrose, Northern Assurance, secretary, and James R. Mangan, American, treasurer.

A new constitution and by-laws were adopted, one of the features being the establishment of a past presidents' committee to serve in an advisory capacity.

W. W. Sampson, manager of Southeastern Underwriters Assn.; Ray A. Bachman, manager General Adjustment Bureau; R. M. McFarland, Jr., assistant secretary of S.E.U.A., and E. H. Dennington, manager Georgia Inspection & Rating Bureau, were guests.

### H. L. Klaus Named in Ill. Field by Millers National

Millers National and Illinois Fire have named Harold L. Klaus as special agent in Illinois to assist Henry Tuerk and Eugene Wild.

Mr. Klaus has been in the home office underwriting department. He will complete 25 years with the companies on Dec. 31.

### To Inspect Dodge City

The inspection of Dodge City Nov. 12-13 by Kansas Fire Prevention Assn. will be sponsored by Dodge City Insurance Board, with a Chamber of Commerce luncheon scheduled. This week inspections were held at Harper and Kingman, with President Dean S. Jaeger, Springfield state agent at Wichita, in charge.

### Pollard to Western Mich.

American has appointed William Pollard special agent for western Michigan, assisting State Agent Fred Pierson. He is a graduate of Brown University, and has worked in various departments of the home and western department offices, and is a graduate of the advanced multiple line training school. His headquarters will be at Lansing.

### Hear Grand Nest Reports

The Alamo Blue Goose, San Antonio, heard reports of the grand nest meeting at Dallas from Allan Barwise, most loyal gander; Don Caldwell and Fred Lackland, chairman of the fraternal committee.

### Flanagan in Okla. Field

North British has appointed John J. Flanagan special agent at Oklahoma City associated with State Agent Donald H. Shannon. He attended New York University, specializing in insur-

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being 1/2 of 1%. In 1951, F.I.A. wrote nationwide premiums of \$28 million, and had \$33 billion at risk. F.I.A. carries about 20% of the insured risk of the nation.

George M. Struble, Fireman's Fund, association president, introduced several new members.

#### AUTO MEN TO MEET OCT. 14

Automobile Superintendents Club of Chicago will hold a luncheon meeting Oct. 14. A panel discussion on new dealers forms will be led by Julius Bel-luomini, Aetna Casualty, acting as mod-erator.

#### A. & C. FESTIVITIES OCT. 1

A formal opening and housewarming is to be held Oct. 1 by Appleton & Cox and Illinois Appleton & Cox, Inc., in their new contiguous offices on the 5th floor of the Insurance Exchange building at Chicago. A head office delegation is expected to be on hand, including George D. Hoffman, the chairman; D. Farley Cox, Jr., the president, and John Addy and Fred Thieringer, vice-presi-dents. These are air-conditioned quarters that were formerly occupied by Chicago Transit Authority and there are some interesting decorations, including large murals and H. M. Angell, the resident vice-president of Appleton & Cox, is introducing some salty items especially in the way of lamps. Russell W. Spicer is the manager of Illinois Appleton & Cox, Inc.

#### ADJUSTERS GROUP IN 20TH YEAR

Ross Whitney, independent adjuster, and C. W. Tierney, vice-president of Toplis & Harding-Wagner & Glidden, the first president and secretary respec-tively of Adjusters Assn. of Chicago, took their bows at the September meet-ing of that organization which is now in its 20th year. Mr. Tierney read the names of the 22 persons who attended the organization meeting, and some paragraphs from the minutes.

Officers for the current year are: Sterling Bassett, Western Adjustment, president; L. G. Schreiber, Toplis & Harding, vice-president; Ray Iekel, Underwriters Adjusting, secretary, and E. R. Brunke, Frank Erion & Co., treasurer.

#### DEAN COURSE AT CHICAGO

A study of the latest edition of the analytic system will be sponsored by Cook County Inspection Bureau, begin-ning Oct. 6. The class will be open to all persons interested in learning how fire rates are established, and practical problems in schedule rating will be pro-vided. Classes will be in the Chicago Board auditorium, meeting Monday nights from 5:00 p.m. to 6:15 p.m. The fee is \$20.

## NEW YORK

#### MARINERS OUTING

New York Mariners Club will hold its field day Sept. 30 at East Williston, L. I. Program chairman is Frank J. Rich-ardson, assistant secretary of Universal. Skipper E. V. Silver, Jr., Fireman's Fund, will preside and act as host to several of the founders who are now honorary members of the club.

#### ALEXANDER & ALEXANDER

Alexander & Alexander of New York has elected five department heads as assistant vice-presidents. Those elected, and their department affiliations are: S. J. Boden, fire; L. W. Torres, marine; G. B. Falvey, casualty; F. S. Schmidt, aviation; G. F. Stissel, fire. Mr. Stissel has been with Alexander & Alexander for 13 years, and each of the others have been with the organization for more than 20 years.

The Reins Club held its annual out-ing at Union, N. J., James J. Ratch-ford of Royal was in charge of arrange-ments.

## Suggests Loss Record Warranty in Personal Floater

The following letter recently was ad-dressed to an underwriting organiza-tion in response to its general letter on the subject of personal property float-ers and other personal lines, by Herbert Heiman of Al Heiman & Co., Okla-homa City:

We have carefully read your general letter on personal property floaters and other personal lines and are also very pessimistic about this class of business. We believe with you that all com-panies should incorporate a warranty with policy showing the past record of losses and if any cancellations have been served upon insured.

This past record of losses should be similar to the record of losses required in the jeweler's block proposal. As a matter of fact, we believe that a copy of the proposal should be attached to and made a part of the policy in much the same way as the jeweler's block pro-posal is attached to and made a part of the policy.

We have been writing P.P.F., jewelry floater, and fur floater coverage since the good old days when these classes were only written by Lloyds. We use the term "good old days" advisedly be-cause, in those days, such coverage was only written for persons of unquestioned integrity and it was a mark of distinc-tion for insured to have such a policy and equal mark of distinction for agents to be able to provide this coverage for insured. Then we were not troubled with all of these nuisance losses because insured were sold on the fact that it was hard to get this kind of a policy and they feared it would be cancelled for carelessness and a multiplicity of losses.

Now the business is turned into a sort of a game in which insured try to keep even with the companies on the premiums charged and companies pro-gressively increase the premium to meet the losses. We do not know where it will all end but we are afraid that companies will have to price their product so high they will price them-selves out of the market unless they re-

turn to sound underwriting of insured and agents.

We have tried to inform our insured and producers but since underwriters and companies have not taken a firm stand and a united front, we have found that other agents and companies have gone in and written business which we have cancelled or where we have in-sisted on an honest statement of values and a deductible clause, we have found competing agents and companies taking business on dishonest values and with-out a deductible. Inasmuch as their experience goes into the consolidated figures, it is no wonder that rates have to be increased and restrictions adopted to overcome these figures.

We wish some control could be placed on the business so that insured would not have such a nonchalant attitude to-ward losses, values, and suggestions for taking a deductible clause on their policies.

## Mulligan Field Supervisor for Silversmith of Denver

The Denver general agency firm of J. H. Silversmith, Inc., is employing William J. Mulligan as Field Supervisor. He graduated at Yale in 1929. For many years he was with America Fore in the home office, later in the eastern territory, and then as manager of Fidel-ity & Casualty at Denver.

## Detroit C.P.C.U. Rally

The Michigan C.P.C.U. chapter will sponsor an all-industry luncheon Oct. 1 at Detroit with Dr. Harry J. Loman making the conformation to five Wolver-ines, and with Lewis A. Vincent, gen-eral manager of National Board, speak-ing on "Insurance—Its Place in Amer-ica." Paul J. Trout, Employers Li-ability, will preside.

## Plan Farm Safety School

The Ohio rural fire safety committee will conduct a school on industrial ac-cidents on farms for the fire insurance companies Oct. 7 at Ohio State Uni-versity. The school is mainly for field men handling farm business but others interested are invited. The movie "Fire on the Farm" will be shown and Myron D. Miller of the Ohio Edison Co. will

## A.I.U. Display Compliments Federal Republic of Germany



Continuing its international window dis-play series, A.I.U. has devoted its Maiden Lane building front to observance of the third anniversary of the federal republic of Germany. Shown here are: Wolfgang Oppermann, commercial attaché consulate general of the republic; Dr. Hans Riesser, acting consul general; A. E. Gilbert, exec-utive vice-president American International Underwriters Corp., and Leonard H. Col-lier, vice-president A.I.U. and American International Marine Agency.

speak at the morning session. In the afternoon J. P. Ditchman of General Electric Co. will talk on the "Use and Misuse of Infra-red Lamps" and I. P. Blauser, extension agricultural engineer at the university, on "What to Look for in Farm Wiring."

## Explains Fur Labeling Law

Max Bachrach, fur consultant and ex-pert, addressed the meeting of Inland Marine Claims Assn. of New York on the fur labeling law and its effect on insurance problems. He explained that often identification and, to some extent, grading is possible, even though the furs are completely destroyed. This law could contribute in creating more uniformity in full valuation by apprais-ers.

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## EDITORIAL COMMENT

### The Obligation of Agent Is to Sell

The trouble with the obvious is that not everybody sees it. Or, if they do, they do not always understand its full implications. Most local agents, for example, understand that if after going through all of the motions required today to operate a business, they have not put their product in a position to perform a better job for their clients or introduced it to more persons, they have not done what it is essentially their job to do, for themselves, for the companies, and for the public.

The agent's first and final obligation is to sell.

Even in the field of competition, where the object is to take business away from other agents, the constructive thing that fortunately happens in many instances, is that the agent who gets the business is the one who does the best job with it—it is more complete, it is better arranged, it is handled with more imagination and skill.

It might be said that the obligation is particularly important in the field of personal insurance where the individual buyer does not have the time or inclination to understand in any more than a superficial way his risks and his coverages. After all, not much more than half of automobile casualty insurance policies include medical payments; underinsurance in the dwelling field is notorious; the comprehensive personal liability still has a tremendous market because agents have not serviced their insured or sold the coverage to new prospects.

However, the record is far from perfect in the commercial field. An informed estimate places at a maximum 12% the number of employers protected by a fidelity bond; the distribution of business interruption is woeful at less than 3.2% of property damage premiums, and there are other deficiencies in the record.

Thus there remains ahead of the business a job not substantially completed, but substantially unfinished. The responsibility for making reasonably good headway and cutting down the deficiency rests upon the entire business, but it must be peculiarly the obligation of the agent. He is the key figure in the distribution system; to him must go a large share of the credit for making the U. S. an insured country where the insurance idea in general prevails so widely—but having gone that far he has imposed on himself the obligation to go on and complete the task, or get it much more substantially completed than it is today.

Consequently, what the agent does,

and he does a great deal, must have the eventual denouement of placing more insurance, of doing it more skillfully.

Much that occupies the agent today seems to have nothing to do with selling insurance. For example, the agent has had to develop, as a class, a political life. State and national legislation has grown to be of real concern, largely because so much of what is introduced is irresponsible, some of it positively mischievous. It is of the first consequence for the agent to protect himself and his position, and his system of distribution. He has become more effective in the political area, and it is a good thing that he has. But even here, the ultimate purpose is to permit him to carry on his business reasonably free from burdens and restrictions with which he or his business is threatened.

Where he is favorable to or actively supporting legislation, for example in the field of agency qualification, the long term result must be establishment of a higher standard for the good agents to live up to so that the public receives more protection, and more protection for its money because a skillful and responsible agent provides the service. The effect of such legislation in reducing the opportunity of poor agents to function has a value to the public. But the act of establishing higher standards puts it on the good agents to be better because they have advertised deliberately that one agent can be better than another and have strongly implied that all agents can be better agents than they are. In a very real sense, the agent is hoisted on his own petard.

In the field of closer conferences with companies, when agents ask that a form be one thing rather than another, or that a practice be established or changed, they are seeking what will enable them to sell more because what they sell is more satisfactory to the persons who buy. They cannot long stick to a purpose which aims solely to improve their own take out of the business.

The impressive educational renaissance that has occurred in recent years—especially the C.P.C.U., the N.A.I.A. program, the university short courses, the courses conducted by insurance societies and local groups—has done a vast deal to stabilize the agent's position in the economy, build morale, and improve his ability to perform the service he does. It has also added height and breadth to the standard of that service. But, in the end, if he doesn't take his product and his larger skill to

his current clients for more services and to new clients, he might as well have stayed in bed.

The agent studies office procedures, trades experiences on methods, and analyzes bookkeeping systems for one purpose, so that he can get out more and sell more.

It is inherent in the position of the agent that he is more than ordinarily responsible for placing his service and product before clients and prospects. With the relatively few exceptions of large insured with their own expert buyers, the client relies on the agent to tell him what he needs in the way of protection. Because of the low incidence of many losses to which he may be subject, the client does not know what risks he is undertaking or what hazards there are to which he is exposed. He does not "want" any insurance. He will settle for what he "needs." But he does not know what those needs are because he does not understand his risks and hazards, let alone what sort of coverage he should have. Some insured, perhaps too many, have an idea of what they do not like about insurance—a certain company, a particular loss settlement, a high automobile rate. Each of such dislikes represents a failure on the part of some agent, failure to do his job properly.

Companies over the years have grown to rely more and more on agents for

business, for underwriting, and for effective public relations, since public relations in insurance is and must be primarily local in character. Yet in the attitude of many company executives there is still a reluctance to go the whole way with the agency system and say "this is it" on a till-death-do-us-part basis. But there is one thing companies believe in with the utmost conviction and find themselves 100% in accord with the agents about—good business, well handled.

Thus selling becomes the standard to which all other standards must refer. It is Matthew Arnold's touchstone, the platinum bar of the Bureau of Standards, the measurement that does not alter.

No matter how much they have sold in the past, the obligation of agents is to sell and sell more.

They owe this obligation first to the public—insurance is a tremendously good idea, and selling is a practical demonstration of their belief in it. They owe this obligation to their agency because it is the only basis of a sound business; they owe it to the company, which, however reluctantly they may at times admit it, rely on them more and more as time goes by. They owe it to their system of distribution, if they believe in it, and to their product, if they believe in it. Therefore, let's let more people have the benefit of it.

## PERSONAL SIDE OF THE BUSINESS

**W. H. Faulkner**, state agent of Crum & Forster in Iowa, who is retiring, is 80 years of age. He was brought up on a farm in southwest Iowa and worked in a small town bank where an active fire insurance business was developed as well as real estate and farm loans. The leading fire insurance company was the old German of Freeport. The agency was established in 1893. It was through this connection that he made his acquaintance with the late Fred M. Gund, who was then the manager of German of Freeport. In 1910 he resigned as cashier of the bank to devote his entire attention to fire insurance and became Iowa special agent for Williamsburg City Fire, of which Mr. Gund was then western department manager. In 1912, Crum & Forster took over this company and since that time he has been in their employ in the Iowa field.

**Howard F. Ahmanson**, president of National American Fire, and prominent in southern California insurance affairs, is reported to have sold 150 acres of land in the Crenshaw-La Brea district for \$2,750,000 to Milton Kauffman Construction Co., which contemplates development of the tract.

**W. J. Davis** of Chicago, manager of the western division of National Theft Bureau, is at Los Angeles this week for the convention of International Assn. of Chiefs of Police. He is a member of the newly instituted committee on auto thefts of I.A.C.P. Clifford L. Peterson,

commissioner of the California highway patrol, is the chairman.

**W. S. Gibbons**, St. Paul manager at Wichita and secretary of Kansas Fire Prevention Assn., who has been confined to his home since a period of hospitalization last May, has improved sufficiently to be able to attend the Sept. 15 luncheon of the Sunflower Blue Goose puddle at Wichita and hopes soon to be back at his office part time.

**Stanley F. Withe**, director of advertising and publicity and safety education of the Aetna Life companies, is the Republican nominee for the Connecticut legislature in the town of Burlington.

In a report on the examination by the New York department of aviation insurance rating bureau, carried recently, it was erroneously stated that John F. Joyce was the examiner, **Eugene M. Gilmartin** made the examination.

**Edward Moore** and **J. Grant Moore** of Port Huron, Mich., are used to getting mixed up on their mail and in other ways because each is president of an agency in that city that although entirely unrelated have a name that is similar as well as having presidents with the same last names, and now that J. Grant Moore has been elected president of Michigan Assn. of Insurance Agents, the two men have another point of similarity. Edward R. Moore was president of Michigan Assn. of Insurance Agents just a few years ago, and

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the annual convention was held at the Gratiot Inn which is just a few doors from his home at Port Huron when he was retiring as president. He is president and treasurer of the Moore & Wright Co. agency. J. Grant Moore was elected president of the Michigan agents' association just the other day at Grand Rapids. He is president of Wright, Hoyt & Co. agency of Port Huron. Thus the name Wright appears in the name of each of the agencies over which a Port Huron Moore presides. Each is a high class citizen and the confusion simply serves to accent the esteem in which each one is held.

Aaron T. Coates, general manager of Snyder Brothers general agency, Louisville, and R. W. Snyder, Jr., head of the Brown & Martin agency and son of the late R. W. Snyder, head of the general agency, are back from a month's trip to Europe. They spent about 10 days in London and four days in New York.

Lord Brand, chairman of the general court of directors of North British & Mercantile, and E. Lansdowne, general manager, are in this country. W. L. Nolen, U. S. manager, will be host at a cocktail party Oct. 8 in New York City.

H. W. Heinrich, assistant superintendent in the engineering and loss control division of Travelers, was honored last week by American Museum of Safety at New York. He was given the Arthur Williams Memorial Award in recognition of his safety contributions over a period of years. The American Museum of Safety is the oldest national safety organization in the U. S.

William G. Knoll, New York state agency supervisor of Aetna Fire, recently marked his 40th year with the company. His office associates honored him at a luncheon and presented him with some photographic equipment.

E. K. O'Brien, recently elected secretary of Excess of America, will continue his duties in the production and underwriting fields. He attended New York University and served Maryland Casualty in the compensation and liability, accident and health, and agency departments in New York. He also was superintendent of the compensation and liability in New York of the Bankers Indemnity of the American of Newark Group.

### Ill. Agents Association to Employ Assistant Manager

At the recent convention of Illinois Assn. of Insurance Agents it was decided to proceed to employ an assistant manager whose main duties would be to promote membership growth and stimulate organization of local boards. The Illinois organization now has only 800 members and leaders feel that it should have at least 1500. The illness of W. W. Hamilton, the manager, has put a damper on membership activities.

### Watkins Joins Quick & Co.

H. P. Watkins, who has been in a local agency at Lubbock, Tex., has been appointed special agent for the Quirk & Co. general agency of San Antonio in west Texas, with headquarters at Lubbock.

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## DEATHS

**W. K. CHETWOOD**, 70, retired manager at Los Angeles for Phoenix-London, died after a lingering illness at Duarte, Cal. He was with the group at Los Angeles for more than 25 years before his retirement. He is survived by his widow.

**FRANK P. LAVIN**, veteran insurance broker of Chicago, who was president of Insurance Brokers Assn. of Illinois in 1930, died at his home at River Forest, Ill., at the age of 72. He



FRANK P. LAVIN

started in the business with London Assurance at Chicago and then later went out for himself as an independent broker and maintained headquarters with the London Assurance branch for about five years. For the past 31 years he had been making his office with John Naghten & Co., Chicago.

**ALFRED A. MILLER**, 67, partner in the Gaedke-Miller agency, Milwaukee, one of the best known insurance men in the middle west, died in an ambulance en route to a hospital after suffering a heart attack in his office. He started in insurance work nearly 50 years ago, in the home office of the old Milwaukee Fire, and then joined the Roger L. Merrill agency, general agent of Maryland Casualty. In 1911 he formed a partnership with Otto H. Gaedke and A. L. Fischer as Gaedke-Miller and for 41 years operated as statewide general agent for Maryland Casualty and a local agency. Since Jan. 1 Maryland Casualty has maintained a branch agency at Milwaukee for Wisconsin and upper Michigan and the Gaedke-Miller agency has continued as general agent for Milwaukee and vicinity only.

**CHARLES KOZAK**, 61, president of Charles Kozak & Sons agency, Milwaukee, died at a hospital there after suffering a heart attack at his home earlier. He founded his agency in 1916. He left two sons, William T., vice-president, and Sidney, secretary-treasurer of the agency.

**A. H. KLEFFMAN**, 72, former secretary of Minnesota compensation insurance board, is dead. He was at one time in the insurance business on the Iron Range in Minnesota.

**MABRA C. JONES**, 60, general manager of the home security department of Woodmen Accident, was found dead in his room at the Conrad Hilton hotel, Chicago. Death was apparently due to natural causes. He had gone there on business.

**JOHN M. HARRISON**, 77, retired resident vice-president of Marsh & McLennan at Minneapolis, long a leader in the insurance business in Minnesota, died of a heart attack while working in his garden at Lake Minnetonka. Mr. Harrison was a noted athlete in his college days, being captain of University of Minnesota football and track teams and later coached football at North

Dakota college of agriculture. For a time he practiced law at Minneapolis, then entered insurance. He was a member of the firm of Conklin-Zonne-Harrison, which was purchased by Marsh & McLennan in 1923, and remained with that company until he retired a few years ago.

In his early insurance work he was with Insurance Survey Bureau at Chicago and from 1902 to 1910 was with Connecticut Fire as state agent in Kentucky and Wisconsin. He was a past president of Minnesota Assn. of Insurance Agents. A son, John G. Harrison, is in the insurance business at St. Paul.

**JOHN C. STANLEY**, 31, North and South Dakota state agent of Phoenix of Hartford, died at Fargo, N. D., of polio. Mr. Stanley attended the University of South Dakota. After army service he joined Hartford Accident at Sioux Falls, S. D., before going with Phoenix.

**JOSEPH F. SHANK**, 82, formerly with Fidelity & Casualty, died at his home at Louisville. He retired in 1949.

**JOHN H. CHALENOR** died in veterans hospital at McKinney, Tex. He was with the southwestern department of the Loyalty group at Dallas and had been working out of that office for the

last two years. Following service in the first world war, he entered insurance, going with the Norwich Union and Loyalty group on the Pacific Coast. Later he was transferred to New York City as secretary of Loyalty group and then to the home office at Newark.

**GERALD E. BOWMAN**, 37, western Michigan special agent of New Hampshire Fire, died of a heart attack while working on his lawn. He had been with New Hampshire for almost two years, before that having been with the J. M. Wilson general agency of Kalamazoo.

**F. ADDISON BRASTOW**, 56, of the Long & Curry agency, Washington, D. C., died from a heart attack.

**W. EUGENE ROESCH**, who spent more than 20 years with the Spectator doing editorial and business promotion work, died suddenly at Jeffersonville, N. Y. At the Spectator he was successively editor of the life, casualty and the fire editions, became managing editor and then field editor. He was secretary of the old Equitable C. & S. and then ran the M. & S. (Money & Success Agency) Newark.

**WILLIAM C. DENT**, 62, superintendent of fire underwriting for Gen-

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eral Accident and assistant secretary of Potomac, died at Philadelphia, after a short illness. He entered insurance with State of Pennsylvania and in 1921 went with the old Central Fire at Baltimore. He joined Potomac in 1925, becoming superintendent of fire underwriting of General Accident when that company entered the fire field in 1950.

**RALPH Y. SKETCH**, former chairman of Phoenix Assurance, died at Capetown, South Africa. Before becoming chairman in 1940, Mr. Sketch for



**RALPH Y. SKETCH**

many years served as managing director of "Phoenix", during which time he made frequent visits to the United States and formed many friendships among insurance men here.

**ROBERT H. SMITH**, 43, operator of the Robert H. Smith & Co. general agency at Boston, was accidentally drowned while on a fishing trip off North Scituate, Mass.

**JACOB BASCHOFF**, who for many years conducted a local agency in the Arrott building at Pittsburgh, died in a hospital at Tampa, Fla. He had resided in that city for the past year.

**HARVEY J. STENGEL**, 67, retired assistant secretary and insurance manager of Gurney, Overturf & Becker, Buffalo, died there. He was with that agency for 25 years before retiring last January. Earlier he had been with Armstrong, Roth, Cady & Co. for about 20 years.

**MILTON GROSSKOPF**, 53, local agent at Shawano, Wis., died of cancer after a lingering illness. He started the agency 22 years ago soon after graduating from University of Wisconsin.

**FULLER C. WENTWORTH**, 60, operator of the Field & Quinby agency at Belfast, Me., died following a lengthy illness. He bought the agency in 1926 with the late Wentworth Rogers, and became the sole owner in 1944.

## Ky. Wars on Rebating Southall Makes Clear

Insurance Director Southall of Kentucky, in addressing the annual meeting of Kentucky Assn. of Mutual Insurance Agents, said the department intends to enforce the code provision against rebating and illegal inducements whether this is in the form of unauthorized split of commission or through use of a license principally to write controlled business. He asked the agents to help in this effort by refusing to participate in or encourage such transactions. Anti-rebate laws, he said, serve the public interest by protecting the stability and integrity of insurance. There is a great temptation for some agents and others having access to lucrative business to use a license to cover up what in substance is a rebate or illegal inducement. One of the devices is to try to set up some kind of agency firm or corporation by which a split of the commission could be funneled to insured who just happened to be also members of the firm or stockholders. The insurance department has been able to discourage several of these projects.



# ANNUAL CONVENTION ABBREVIATED

## Ohio Agents Group Names Schryer and Powell

By B. P. McMACKIN, JR.

CLEVELAND—Ohio Assn. of Insurance Agents disposed of a capsule agenda at its annual convention, held on Monday afternoon concurrently with proceedings of National Assn. of Insurance Agents. As is customary, the meeting of the host association was held to minimum constitutional proportions in order to not interfere with participation of its members in affairs of the national body.

Ray R. Schryer, Lima, is the new president of the Ohio association, suc-



R. R. Schryer



Leland T. Powell

ceeding Arthur M. O'Connell, Cincinnati. Leland T. Powell, Mansfield, became vice-president. T. M. Gray, Columbus, secretary, was extended a three-year contract by the association last week.

Deliberations of the convention were economical, each committee operating

with a limit of five minutes in which to present its report. Resolutions included a reaffirmation of the traditional opposition of Ohio agents to installment premium payment plans; opposition, as against the public interest, to merit or demerit rating plans for automobile liability, and a comprehensive statement embodying the stand of the body in its present drive to break the state's monopoly on workmen's compensation insurance.

Resolutions also commended officers, trustees and employees of the association, officials of the Ohio insurance department and Ohio Inspection Bureau.

### Auto Dealer Licensing Fight

Paul R. Gingher, Columbus, counsel of the association, recounted details of legislation and subsequent litigation, still in the courts, aimed at removing automobile dealers from the insurance business. Material gains as a result of this action dwindle in perspective with the victory of principle, he said.

The enemy camp, Mr. Gingher said, has now shifted to the protection of the reciprocal device. Reciprocals, in Ohio, do not come under the agency law and representatives need not be licensed. Studies of reciprocal operation in other states demonstrate that these organizations are willing to work under the same insurance laws as other carriers.

Surprises have accompanied work of the association as it has moved into

## Ohio Rural Agency Leaders Confer



Rural agents' committee of Ohio Assn. of Insurance Agents at the annual convention at Cleveland, which was sandwiched in during the N.A.I.A. meeting:

Seated: — E. B. Hendrixson, Batavia; Hoyt Whitney, Sunbury, chairman; E. R. Randall, Greenville. Standing — Paul Bennington, Washington, C. H.; Don Stroofer, Mansfield; Carl Dakin, Lebanon; Barney Phelan, Versailles and J. Bryan Woolam, Cortland.



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combat this employment of reciprocals. Strong trade associations, former allies in the fray, have now shifted to the opposition because of advantages they feel can be traced to the reciprocal insurer.

The association, following upon Mr. Gingham's talk, passed a resolution deploing the distortion of the reciprocal principle for evasion of auto dealer licensing. The association wants agency qualification requirements for reciprocal

people.

In his farewell remarks, Mr. O'Connell paid tribute to the part of the association in bringing about enactment of a security-type financial responsibility law. He said the operation of law is scheduled for postponement and, recognizing the need for this delay, warned against unfair discrimination against Ohioans if it is unduly protracted.

Mr. O'Connell also reported that a meeting is being arranged between as-

sociation officials and representatives of the assigned risk plan. There is the feeling that some companies are taking too long—perhaps the full period allowed by law—to issue acceptances. Agents want acceptance in two or three days. Evidence is that certain groups of insured are going into the assigned risk plan almost automatically. Cold logic of this, Mr. O'Connell thinks, is that



A. M. O'Connell



C. H. Eichhorn

these groups, since they pay the higher premium, can charge unfair discrimination. The public relations possibilities of this situation are dangerous.

#### Committee Reports Brief

Reports of committees were held to bare essentials. H. G. Whitney, Sunbury, rural agents, said his group is making progress. It is hoped that a conference will soon be arranged between members of his committee and company officials. Rural agents, he said, benefit in many ways by membership in the association, particularly through educational assistance.

C. C. Owens, Akron, young agents chairman, said participation in his committee's young agents conference at Granville last spring was heartening and asked for increased attendance at the next such conference. This committee aims at developing the young blood of the insurance business, equipping them for future leadership in the association.

Reporting measurable results, but cautioning against overlooking that the business sometimes moves slowly, was W. G. Lauterbach, Columbus, chairman of the new Ohio Inspection Bureau liaison committee. Pacific authorities are considering a new broad dwelling form, he said, and, should it be adopted there, he feels Ohio agents will want it here. His committee will follow developments and consider the possibilities of encouraging adoption of a similar form in Ohio with a minimum of delay.

#### Urges Attention to N.A.I.A.

C. H. Eichhorn, Columbus, state national director, said members would do well to attend meetings of the national board of state directors. He said deliberations there on the commissions question deserve the attention of all. Auto commissions were recently reduced in Texas by one leading company. This action, Mr. Eichhorn believes, could be a forerunner to similar moves here.

Whether there should be a committee on commissions at the national level is a question which gets right down to the pocket of each agent, Mr. Eichhorn said.

J. C. Perin, Columbus, educational director, said the association is ringing the cash register for every agent frequently, thus, every agent should join. A mail campaign gets under way in November, but its results will depend upon individual action of the membership. New members this year number 143.

Mr. Gray said the association had made a 5% gain in membership in the past year. It now has 1,673 member agencies and is the fourth largest in the national organization.

#### Both Former Teachers

Mr. Schryer, the new president, served four terms as president of the Lima-Alen County Insurance Assn. and three years as trustee of the 5th district of the Ohio association. He was chairman of the finance committee for the past

(CONTINUED ON PAGE 48)



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## E. E. Curry Offers Active, Realistic Approach to Auto Accident Problem

H. E. Curry, vice-president and actuary of State Farm Mutual Automobile, outlined what he characterized as a program for an active, realistic approach to the automobile accident problem resting on sound principles and wholly achievable within the framework of the American competitive system. He did this in a comprehensive paper on "Public Demand for Compulsory Auto Insurance and State Fund; Does the Industry Have the Answers?" presented at the agency management section meeting of Conference of Mutual Casualty Companies at Chicago.

This paper elicited considerable discussion. For instance, Irving J. Maurer of Farmers Mutual Automobile of Madison, expressed the hope that the states will not be stampeded into passing radical, misguided legislation in this field, in an atmosphere of fear. He said this matter of atmosphere is highly important. For instance, a few years ago, he said the insurance industry was stampeded into passing the rate regulatory bills and now most people are beginning to have their doubts about the wisdom of having done this. He urged the insurance business as a whole to get off the defense and on to the offense, particularly through an educational program.

### Finds Psychological Urge

Mr. Curry voiced the belief that the current public interest in compulsory automobile insurance is the expression of a psychological urge. Most of the adult population today has always lived in an atmosphere of fear—fear of war, of want and even fear of loss of a job. Uncertainty regarding future events is a common preoccupation. In such an atmosphere, he said, the natural reaction is to try to minimize the source of uncertainty in our daily living. This atmosphere has to be taken into account in facing up to the problem, he said.

In outlining what he believes is a realistic program, Mr. Curry said the insurance business cannot support a system of insurance, compulsory or voluntary, where the doctrine of fault is abandoned. It cannot subscribe to a compensation scheme of automobile insurance. It must be accepted that the doctrine of fault is a sound principle for handling automobile injuries.

The root cause of the problem is automobile accidents and particularly those caused by irresponsible drivers. It must be predicated that all automobile accidents cannot be eliminated and that a sense of social responsibility cannot be created by legislative fiat. That does not mean that the business faces a hopeless situation, it merely defines the problem.

Since all automobile accidents cannot be eliminated, safeguards must be established that will minimize the disastrous effects of inferior human judgment.

The insurance business is in a prime position to suggest remedies and it should do so. The auto manufacturer has a big responsibility here. The legal speed limits of the states and the operating limitations of the highways should be considerations entering into the construction of a car.

### Training Is Virgin Field

The surface has barely been scratched in the matter of training in the safe operation of an auto.

The approach of the statutes is not realistic. Most statutes are general and grant wide discretionary application specifying certain driving infractions for which nominal fines may be assessed. Very serious offenses may require suspension of the license to drive for a limited time. Few statutes require suspension of license for infractions, and

even drivers causing serious injury can regain their license after a brief lapse of time. The statutes seem to embrace the philosophy that every person has the inherent right to drive rather than that a license is a privilege to be granted after demonstrating ability to drive properly and to be continued only if the individual demonstrates his fitness to drive.

To a certain degree insurance has failed to apply this philosophy in its underwriting and rating. The policy extends coverage to almost any operator regardless of qualification. The only penalty of widespread application is a surcharge in rate for having been born at the wrong time. He said he cannot conceive of a future legislator less sympathetic to the insurance business than a careful, thoughtful, present-day minor operator who paid a rate penalty because of his age. He said he is not condemning the rating methods but this observation is intended to stimulate thinking about inequities that merit correction.

### Highway Construction

The insurance industry does recognize that it must promote accident prevention and safety on the highways more actively. It must seek the construction of highways engineered to accepted standards for speed and incorporating features that will decrease the opportunity for accidents. It must encourage vigorous enforcement of existing laws and advocate improvement. It must increase the tempo of efforts to inform the public of the basic problem involved, what the insurance industry has done and is willing to do.

In the interest of self-preservation under the financial responsibility laws, insurance should make a concerted and sustained effort to get and retain the percentage of insured motorists at a higher level. There is no reason why the same degree of insurance coverage cannot be gotten under financial responsibility laws as would occur under compulsory law.

A problem of securing indemnity for injuries occurring in accidents is to stimulate speedy arbitration and establish proof of financial responsibility. Officials of Manitoba are enthusiastic about the statute there on impounding of automobiles involved in an accident until proof of financial responsibility is established, settlement made or a release executed.

Such a statute merits consideration here, he said. Such provisions would fit into the financial responsibility law regularly.

### Medical Payments Extension

The insurance business suggests that the scope of the medical payments coverage be extended to include such things as medical benefits to members of an insured's household with respect to accidents occurring in cars not owned by the insured, weekly indemnity to the named insured and spouse if on an earned income basis, and death benefits. To accomplish this will require amendment of statutes in some states and this should be done.

Some, he said, criticize this program as inadequate, too slow of attainment, not sufficiently detailed to meet the imminence of compulsory insurance in some cases. Such critics should offer proof that compulsory insurance attacks the basic problem as effectively. Neither the Massachusetts nor Saskatchewan experiments have done so.

This program attacks the basic problem, operates through private, voluntary channels and contemplates broader protection than is available or customarily purchased under compulsory insur-

## Wis. Moves to Save Young Drivers From Assigned Risk Blot

### Insurers Get Credit for Voluntary Commitments—Idea May Spread

The governing committees of one or two of the assigned risk plans other than Wisconsin are now in process of voting on the amendment that was introduced in Wisconsin effective Sept. 1 giving a company a credit against its assigned risk obligation for each under 25-year old driver-owned automobile risk that it writes voluntarily. This may turn out to be a pattern. The credit is given in Wisconsin for both new and renewal risks. Advocates of this predict that it will be a good public relations device in that it will enable many young drivers to escape the stigma of having to go through the assigned risk plan. Also it is felt it will bring about a more even distribution of such risks among the companies. There is a lot of suspicion in the ordinary course that companies that claim they are taking such risks freely and are exceeding what might be called their quota, actually are shunning them like the plague and that other companies that don't do any bragging about what they are doing feel that they are assuming an unduly large proportion of such risks.

## Washington Turns Down New Malpractice Rates

The Washington department has turned down the physicians and surgeons malpractice rates filed by National Bureau of Casualty Underwriters effective Sept. 1. The filing was a part of a broad professional liability program announced last month.

Commissioner Sullivan pointed out that the base rate for 5/15 limits for a Seattle physician and surgeon is \$90 and that this rate is exceeded only in metropolitan New York, California and District of Columbia. The rejected physician-surgeons Washington rates were equalled only by Minnesota, Indiana and South Dakota. Presumably, the bureau will make a new filing or submit supporting data for the rejected rates.

### ance schemes.

Mr. Curry gave a rundown on the compulsory insurance outlook state by state and remarked that the greatest interest appears to be in Wisconsin and New York. In those states there are interim committees that have been most active in their investigations.

He observes that the model safety responsibility law has now been enacted in all states except Arkansas, District of Columbia, Kansas, Massachusetts, Missouri, New Mexico, North Carolina and South Dakota. There have been accusations that the insurance business fosters passage of these laws primarily to induce motorists to purchase liability insurance. This allegation, he said, is erroneous, but the insurance business has not sufficiently educated the public on the provisions of these laws and the basic objectives which they are designed to serve. This public relations job must be done. The story needs to be told over and over again that thousands of accident victims are able to make financial recoveries that would not occur except for the existence of insurance.

Besides Mr. Maurer, C. W. Leftwich of Farm Bureau Mutual of Ohio, gave a commentary on Mr. Curry's paper.

## T. F. Terrell Is Elected Idaho Agents President

### Agency Problems Get Thorough Treatment at Pocatello Convention

By JAMES C. O'CONNOR

POCATELLO, IDAHO—Thomas F. Terrell of Pocatello was elected president of Idaho Assn. of Insurance Agents at the annual meeting here. He succeeds J. M. Barker, Buhl. New members of the executive committee are D. R. Perkinson, Blackfoot; Ralph Master, Lewiston; J. B. Holden, Caldwell, and Robert Nathan, Kellogg.

The three regional vice-presidents will be picked by the new executive committee and it is taken for granted that H. W. Poulson, Boise, will continue as state national director. The new administration faces a personnel problem in that Mrs. Dorothy Estell, Boise, who has been part time secretary, was forced to resign because of the press of other duties. In his presidential report, Mr. Barker strongly urged consideration of a full time executive secretary. No conclusive action was taken on this, but the Idaho agents hope this can be realized eventually.

### Activities Moving Ahead

Mr. Barker reported the association in excellent financial condition, and membership now at 165. The association has gotten an excellent public reaction to its driver training program. During the past year it purchased four sets of testing equipment and lends these to high schools throughout the state. Newspaper and radio publicity has been excellent and a particularly well received project was a panel on business interruption insurance presented before the accountants organization in Twin Falls by the Twin Falls board and General Adjustment Bureau personnel.

Mr. Terrell, the new president, is vice-president and manager of Guaranty Insurance Agency of Pocatello. He entered the business with that agency in 1940, following graduation from Kemper Military Institute and University of Idaho and a short stretch in the theater business. He was president of Pocatello Assn. of Insurance Agents in 1949 and went on the executive committee of the Idaho association the same year. After serving as program chairman at the Sun Valley convention last year, he was elected vice-president from the southwest region.

### Program Makes a Hit

The program, under the direction of G. S. Marshall, Pocatello, was well received and the Bannock Hotel handled the meeting smoothly. There were about 200 registered. An innovation was the setting aside time at the final session for individual discussions of agency problems with company representatives. Companies were asked to display their room numbers and make their people available during this hour. Since there was a large representation of company executives from San Francisco and Salt Lake City, it gave members from rural areas chances to talk over matters with officials they would not otherwise see.

The Idaho program also departed  
(CONTINUED ON PAGE 27)

## Carton Lists Four Essentials Agents Expect of Companies

An agent should expect his company to provide him with the four important essentials of financial stability, service, "broadening horizons" and cooperation, John H. Carton, president of Wolverine, told the agents attending South Bend-Mishawaka Insurance Day.

The agent should expect the company to so conduct its financial affairs that, under all conditions, it will be able to meet its obligations, he said. "It has happened here," Mr. Carton remarked, "and may well happen again if insurance executives are not alert, and if insurance departments do not take full cognizance of the problem of ever increasing costs."

An examination of the figures in the 1951 statements of casualty companies shows, he said, that many companies would be sustaining substantial losses in surplus were it not for the results emanating from their investment portfolios. These investment results can continue only so long as the economy continues to expand along with a continuous rise in the stock and bond averages—or at least there is no decline in this respect. As far as the individual company is concerned this result may be obtained only to the extent that it is willing to invest its funds in fluctuating securities, he added. That the companies have a tendency to so invest a greater portion of their funds in fluctuating securities is understandable when underwriting losses, especially in the automobile line, are running into the \$200 million totals.

Mr. Carton said the agent should expect the company he represents to charge adequate rates on every line of cover-

age in order that a fair and equitable underwriting profit will result. This will alleviate the necessity of looking to the investment portfolio for surplus additions and will allow investment portfolios to fulfill their purpose of a fair return based upon as few fluctuating securities as is possible. "The specter of underwriting losses combined with a drop in the security market may well send shivers up and down the agent's spine."

### Expense Ratio Stressed

Financial stability is not wholly dependent upon underwriting profits and a sound investment program, he went on. The company must be efficiently operated with a constant eye on the expense ratio. Otherwise, the company will soon find itself in a position where an adequate premium to sustain its existence will no longer allow it to operate in the free and open market.

Following financial stability, Mr. Carton listed service to the agent and policyholder. The only direct contact the company has with the policyholder is in the event of a claim; for that reason, he placed prompt and efficient claim service in the fore, followed by a well-trained company field personnel. Intelligent and consistent underwriting also figures in service, he said. The agent is entitled to know and to be advised not only of the written rules of underwriting of the company but also of its general underwriting approach and its practice in that regard. The agent should expect that this practice shall be consistent and constant.

"In the past few years, the agent has seen many companies jump into a territory one at a time, when the results were apparently good, and then jump out, leaving the agent without sufficient facilities when the going in that section is rough," Mr. Carton declared. "While agents must recognize that companies must, of necessity, change their underwriting practices from time to time, such changes also must carry with them the responsibility of so advising the agent in ample time that he can properly handle the situation. Agents are entitled to sit down with underwriters and to have full explanation of their loss ratios and a full appraisal of the problems in the agent's territory that are confronting the underwriting department."

### "Broadening Horizons"

An agent should also expect from his company what Mr. Carton termed "broadening horizons." The company ought to be progressive, forward looking, and, if need be, experimental. "Too many companies are apt to think of insurance in terms of status quo," he remarked. "New horizons are constantly opening in every line of the business. In the casualty and fire field, with multiple line underwriting, package policies are here to stay and the forward looking company already is in the throes of this problem."

"In my time, medical payments as a part of automobile coverage has become an accepted practice and I predict that within a few short years, further coverage in the nature of an indemnity for the wage earner in the family will also be included as a part of this coverage. This coverage also may extend to covering the wage earner whether he is in his own car at the time of the accident, in another car, or even a pedestrian on the highway. We have long neglected this loophole in giving the average automobile owner adequate protection."

### Cooperation "Absolute Essential"

Another component which the agent should expect is cooperation, "an absolute essential if the American agency system and the companies that operate under it are to continue to progress and grow as they have in the past." Only through the cooperation of both the agent and the company can the cost and distribution problem be licked, he declared. Companies and agents are now, for the first time, beginning to openly discuss this problem. "The analogy is clear. The question is, through cooperation, can we perform the job?"

## Non-Resident Minor Riddle Unsolved Under N. Y. Law

That so far an answer to the administrative problem of enforcing compliance of non-residents with the compulsory automobile liability insurance law of New York for minors has not been contrived was brought out in a discussion at Chicago of the agency management session of Conference of Mutual Casualty Companies. The question was put first to H. E. Curry of State Farm Mutual Automobile. He observed that the New York law requires all cars driven by minors to be insured whether resident or non-resident for BI limits of \$10/20 and PDL of \$5,000. This matter is not being handled too well. So far as State Farm is concerned, he said, they are waiting before trying to perfect any method of procedure at their end of the line to see what the New York state authorities have to offer of a specific nature.

The day after the New York law went into effect, State Farm was bombarded with telegrams, phone calls, etc., from Pennsylvania insured who were being stopped at the New York border and required to show evidence of having insurance. The administrative procedure so far as residents is concerned presents no problem. Identity cards are furnished. The problem as far as non-residents is concerned is difficult to solve. For instance, a small insurer operating in a limited area remote from New York may not even hear of the New York requirement. New York has a compulsory insurance law but no effective way of handling it.

In Pennsylvania, in answer to a question, he said, State Farm uses a mimeographed form to supply to the insured for the New York evidence. A letter is sometimes used. Of course, there is always the chance that this will not be current at the time it is wanted for evidence—that is, the insurance may no longer be in effect.

### Obligation Is on Driver

Mr. Curry was asked whether State Farm requires the return of the card when the policy goes off. The answer is "no," that furnishing the card is simply a matter of service. The obligation is on the driver to have such evidence, not on the insurance company. The driver is the one that goes to jail, not the insurance company.

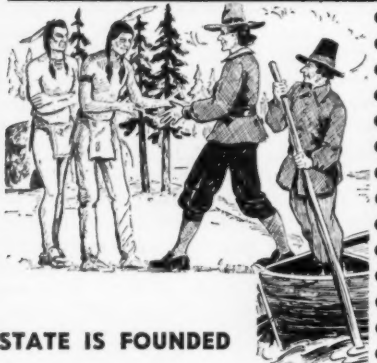
John Hynes of Employers Mutual Casualty of Des Moines, who was in general charge of the meeting, mentioned that British Columbia requires evidence of insurance from non-residents. In that province, Employers Mutual Casualty filed a power of attorney to accept service in its behalf and then it furnished a card form of certificate to all of its insured in the state of Washington because they would be the ones that would be most likely to be running into British Columbia.

There was a question on whether the limits of liability should be shown on the identification card. The man answering the question said he would hate to have this done because it would only help the lawyers. Mr. Curry said this might be handled by a statement to the effect that the limits are sufficient to meet requirements of section 28 of the New York motor vehicle code. That would avoid the necessity of showing limits that exceed the minimum.

### Allen for Safe Driver Plan

NASHVILLE—Commissioner Allen has voiced approval of a safe-driver award plan advocated by Tennessee Assn. of Insurance Agents. James R. McWilliams, assistant manager of National Bureau of Casualty Underwriters, expressed the opinion that such a plan will not curtail accidents, citing that a former similar program resulted in saving only about 1/2% to policyholders.

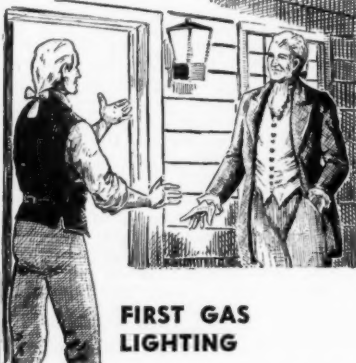
### HIGH SPOTS IN HISTORY



#### STATE IS FOUNDED

Roger Williams left Massachusetts and founded a settlement in Rhode Island in 1636. He and his followers sought religious freedom.

### 46: RHODE ISLAND



#### FIRST GAS LIGHTING

Newport was the scene of the first house lighted by means of gas made from coal. David Melville, inventor, was granted a patent in 1813.

## ALWAYS A HIGH SPOT . . .

. . . to every agent is when he joins Hawkeye-Security & Industrial. These agents know every service is provided to help them step up production . . . providing service without red tape . . . prompt, equitable settlement of claims . . . and home office representatives always at their service.

**HAWKEYE-SECURITY INSURANCE CO.**  
**INDUSTRIAL INSURANCE CO.**

Des Moines, Iowa



## Group Service in One Company

**Fire and Windstorm  
and all Allied Lines**

**All forms Casualty Insurance**

**Aviation Insurance**

**Fidelity and Surety Bonds**

**AMERICAN FIRE AND CASUALTY COMPANY**

Home Office

Nation-wide Claim Service

Orlando, Florida



A STOCK COMPANY



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## H. & A. Selection Men Confer

H. & A. Underwriters Conference is conducting a 1½-day underwriting forum this week at Cincinnati. The meeting opened Tuesday afternoon with E. F. Brewer, Republic National Life, chairman of the underwriting committee, presiding. H. Lewis Rietz, Lincoln National Life, chairman of the conference executive committee, and C. O. Pauley, conference managing director, spoke briefly. Reports were given by the manual, underwriting and underwriting forms subcommittees, and talks on renewal underwriting were made by J. J. McCuiston, Woodmen Accident, and Charles D. Scott, Great American Reserve. Dr. John J. Phair, University of Cincinnati, college of medicine, discussed "Our Present Day Concepts of Occupational Health Programs."

From the opening of the forum Tuesday afternoon, with about 150 in attendance, the theme of the meeting, Progressive Underwriting, was carried on with reports of progress by those on the program. Mr. Pauley, in introductory remarks, said the strongest force in the A. & H. business is competition, and urged that state regulation which might tend to curb the freedom of that competition be watched.

### New Manual in Oven

Mr. Helverson reported progress made by the classification manual committee, which he said has accomplished a great deal since the previous forum. Copies of the list of occupations and classifications have been passed to underwriting committee members for review, ideas and suggestions. The occupational list is larger than in the present manual, and he promised that the new manual will be ready in not too far distant future. Mr. Barry in discussing the underwriting report of action on diseases and disabilities, published in 1949, suggested that it be revised soon. Messrs. McCuiston and Scott reported on questionnaire findings as to renewal underwriting from two aspects, because of age and after payment of benefits. Dr. Phair's paper dealt with methods of meeting industrial health problems.

The Wednesday session started with an open forum at which C. M. Barry, Ohio State Life, was moderator. Underwriting limits were discussed by J. M. Wickman, Mutual Life of New York; stacking of hospital policies by A. M. Hansen, Mutual Benefit H. & A., and over-age risks by E. B. Forsythe, Illinois Mutual Casualty. Durward Ulfers, Mutual Benefit H. & A., and J. N. Cray, Connecticut General Life, talked on training of home office underwriters and in the afternoon Roy A. MacDonald, conference assistant director, conducted a class clinic on underwriting.

### Ekdahl Named President at Texas Mutual Meeting

S. N. Ekdahl, Austin, was elected president of Texas Assn. of Mutual Fire & Storm Insurance Companies at its annual meeting in Austin. Other officers elected were A. J. Weber, Brenham, 1st vice-president; Fritz Barre, Yoakum, 2d vice-president, and George E. Kacir, secretary.

Mr. Kacir, chairman of the standard policy committee, reported progress in developing a standard fire and wind-storm policy.

Richard Spinn, Brenham, attorney for Germania Mutual Aid, and Durell Miller, Yoakum, attorney for Hochheim Prairie Mutual, presented a study in the problems of the companies.

Peter Harton, El Campo, explained the need for fuller coverage in his talk "Our Need for Reinsurance."

Harry P. Cooper, Jr., secretary National Assn. of Mutual Insurance Companies, opened the second day of the meeting with an address on "The Challenge of 200 Years."

Mr. Cooper stated that there are from

1,900 to 2,000 farm mutuals which hold membership in the National association. He outlined the value of the services the association offers its members in removing fire hazards and preventing accidents which disable the farm worker.

Floyd Herring, director of assessment mutuals of the Texas department, Austin, spoke of the value of the service which farm mutuals give, and expressed appreciation for the cooperation his department had received from the members of the association.

Robert W. Morrison of Tri-County

insurance agency at Minonk, Ill., has purchased the insurance business of Frank B. Iliff and the latter will hereafter concentrate on the real estate business.

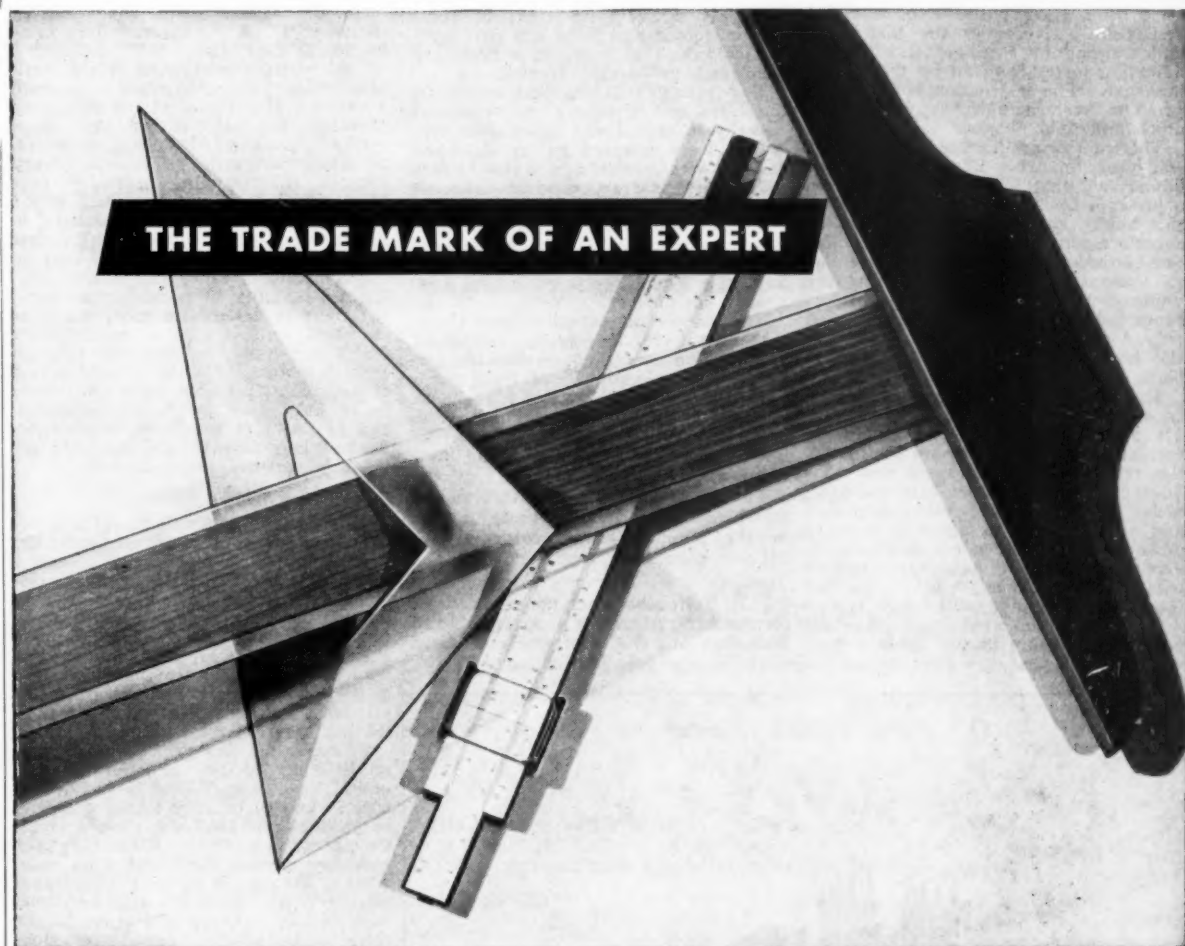
### Ad Program Fights Coercion

Insurers of Memphis is sponsoring an advertising program informing the public that coercion in the placement of insurance in connection with finance contracts is prohibited by state and federal laws. The ads urge readers to demand that insurance be placed with agents

### O.L.&T. Rates Up in W. Va.

A revision of bodily injury liability rates for a large number of important owners', landlords' and tenants' classifications in West Virginia has been announced by National Bureau of Casualty Underwriters. The rates are increased on an average 17.9%.

A. E. Griffin has formed the Griffin local agency at 14 Chancery street, Buckhannon, W. Va. He bought an agency located at that address. He was formerly salesman for Nyal Drug Co.



THE TRADE MARK OF AN EXPERT

An engineer spends many years working at his profession to gain the precision necessary to work tolerances of thousandths-of-an-inch. Excess has accumulated years of experience in the field of reinsurance which enables us to provide precision-drawn contracts for the best possible protection.

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CASUALTY, FIRE, FIDELITY AND SURETY REINSURANCE

## Control of Loss Ratios Discussed at Casualty Conference

Methods for controlling agency loss ratios were outlined by A. W. Tompkins, vice-president of State Farm Mutual, and Carl M. Russell, secretary of Farmers Mutual Liability, at the Conference of Mutual Casualty Companies attended by over 200 at Chicago.

Mr. Tompkins said his company leans toward a training service that emphasizes "the good business of avoiding bad risks." Normally the instruction and training in writing, servicing and adjusting losses is given by the agent's manager. The instruction is thus on a ground level without separate home office and field phases.

The training program was inaugurated last year following elimination of the bonus rule that had been in effect on a pro-rata basis since 1946. Since then the bonus has been included in the agent's compensation. The bonus plan first introduced in 1936 was extended to managers in 1939. However, the unpleasant experiences of 1945-46 prompted an adjustment that favored only local agents. It was then that the bonus was placed on a pro-rata basis.

Mr. Russell said the loss ratio problem is essentially one in human relations. He said a company could achieve a consistently good attitude on the matter through the mutual respect and confidence of the agents. His company feels that the desire for recognition and approval for an agent is a more powerful force than a financial reward. The company also takes the agent's wife into confidence, thereby doubling the agents incentive of effort.

Loss ratios and production gains are published monthly in the house organ, while once a year the company recog-

nizes its Agent of the Year. He is enthroned at the annual agents roundup. The method, Mr. Russell said, has found wide acceptance in the company.

He questioned the effects of contest awards and bonuses although he approved contingent commissions if they are "soundly constructed and fairly administered." However, he added, his company is getting a good low loss ratio without them.

Mr. Russell emphasized that the desire to belong "begets a high sense of loyalty that transcends other motivations." The company, therefore, recognizes the desire and accepts the agent as an independent, enterprising business man. It respects his right to choose as a customer, and gives him coverages, and services that result in a good loss ratio and production results.

Two reliable surveys that emphasize the differences in selling and promoting casualty insurance and automobile coverages were referred to by A. Lynn Minzey, vice-president of Auto-Owners.

The first survey, conducted among auto-owners, indicated that only 9% of U. S. automobiles are not insured. Automobile owners, Mr. Minzey declared, not only recognize the need for insurance, but in a broad sense recognize it as almost compulsory.

The survey on casualty lines shows that of the 23,131 persons questioned, 71% did not carry comprehensive personal liability, and 82% did not carry residence theft. Of 21,487 merchants, 91% did not carry fidelity bonds; 77% did not carry safe burglary; 73% did not carry interior robbery, and 33% did not carry public liability.

The figures established a large market in which the agent must create a need in the minds of the prospects, Mr. Minzey concluded.

J. B. Bolton has been named manager for northern Alberta, Canada, by North American Life & Casualty. He has been active in that field for 13 years.

## Problems of Cancelled Insured Are Examined

Problems of renewal underwriting, and especially those of cancellation or restriction of policies in the case of insured who has had a serious injury or illness with no question as to the validity of the claim, but with a better than average chance of future disability, were discussed by Charles D. Scott, first vice-president of Great American Reserve of Dallas, at the underwriting forum of H. & A. Underwriters Conference at Cincinnati.

Underwriters who were in the business during the 1930's are concerned with some of the present trends toward liberality in underwriting and competitive practices, Mr. Scott observed, admitting that actions based on theory without substantiating statistics may be realistic. However, he asked if the company can be said to be realistic in its approach if it disregards the fact that: (1) There is a tangible cost to the company in cancelling insured having a possibility of recurring sickness; (2) there is a need for more adequate statistics on this type of policyholder which can only be obtained through experimentation; (3) the present period of unusually favorable claim experience is an ideal time for experimentations, and (4) with pressures for compulsory health plans there is a great need for public confidence and good will.

### Cancelled Insured's Reaction

It is almost impossible to get a favorable reaction from an insured who has been cancelled simply because he has a good chance of incurring future disabilities, Mr. Scott said. Sometimes the home office people can answer complaints on this score and help explain a situation, but there are many insured who never write the company but who at the same time are letting their friends, relatives, and people in general in their locality hear only one side of the story.

"What is the loss in premium income on existing policies and future business?" he asked. "What is the overall cost in loss of prestige to the company in particular and all the private insurance plans in general? What about the company writing combination business, what is the cost in future life insurance sales? What about the salesman who lives in his territory and must handle the situation on a personal basis? Does he have a comprehensive understanding of the reasons by the company's decision? Can he explain it to his own and the policyholder's satisfaction? If not, what about the effect on his morale? What will be his attitude in recommending A. & H. plans on future sales?"

### Savings or Loss Unknown

The cost to the company in cases of this kind is definitely tangible, even though it may not be measurable, Mr. Scott remarked. Even if there are no substantiating statistics to prove the cost of the company, it is equally true that there are none to prove what the company may save. One company kept a card record of risks that were renewed without restrictions after a claim had been presented for a serious illness or injury. These included cancer, coronary artery disease, hypertension, kidney and gall bladder disorders, etc. While the company has not yet made a thorough statistical study, in reviewing the cards which are kept up to date they have the definite impression that the incidence of recurrence is not nearly as high as had been anticipated and that experience in this group fairly well parallels overall experience.

The companies which have been liberalizing their post-claim underwriting practices during these years of favorable claim experience are aware, Mr. Scott said, that they are creating a backlog of impaired risks that had formerly been eliminated. He suggested that if adequate records are maintained of im-

paired risks kept on the books, the extent of their contributions to any increased claim loss could be easily determined.

## President's Commission Gets Conflicting Views Regarding Federal Health Insurance

Strong opinions as to the advisability of increasing government participation in the health insurance field were voiced at the one-day midwest hearing of the President's Commission on the Health Needs of the Nation, held at St. Louis. Only one member of the 15-man commission was on hand, Dr. Evart A. Graham, professor emeritus of surgery at Washington University. The statements of those who spoke were transcribed and are to be studied later by the entire commission.

There were some 40 medical, labor, farm, educational, religious and "consumer" spokesmen heard.

There is no need for the government to push "socialized medicine" on the American people, Dr. J. William Thompson, president of Missouri Medical Assn., declared. Great progress has been achieved in the medical field in Missouri by voluntary methods and he said these methods have proved "conducive to great results."

Rev. Edward T. Foote, acting dean of St. Louis University school of medicine, said that the health of the American people is too precious to be tossed about as a "political bon bon." He said maintenance of a desirable standard of civilian health "would seem to depend rather directly upon maintenance of a desirable standard of medicine itself."

St. Louis area labor leaders took the opposite stand, Oscar A. Ehrhardt, executive secretary of CIO industrial union council, denouncing the doctors for "trying to pin the label of socialized medicine on federal aid proposals." He urged development of a national program for prepayment of medical and hospital costs, contending there is a "desperate need for expanding state and local health services." John I. Rollings, executive secretary of AFL central trades and labor union, said "the only answer to the problem as we see it is a national health insurance program."

However, H. E. Slusher, president Missouri Farm Bureau Federation, said his organization opposes any form of compulsory health insurance. He advocated a friendly attitude by the doctors in dealing with private, prepaid medical plans.

Many St. Louis clergymen have found that adequate health services are a luxury item for most people, Rev. O. Walter Wagner, executive secretary of Metropolitan Church Federation, said. He added that "there is need for wide and wise public assistance for families who meet long illnesses and serious accidents. Many people who belong to what we call the middle income group lack adequate health examination and medical and dental care, because they cannot afford them."

### A. S. A. Group Hears Safety Man

One of the speakers at the standardization conference of American Standards Assn. at Chicago this month was D. G. Vaughan, manager of the engineering and inspection department of Aetna Casualty, who told the group that a part of the success of safety engineers rests upon the acceptance by top management of American Standards Assn. codes. The insurance people would like to see these codes adopted in every state and city, he said. They can be used as an important tool in accident prevention and thus help to reduce insurance premiums.

W. J. MASTERSON, SR., 81, who formerly published the Vigilant, an insurance journal, died at Noroton, Conn.

Lawrence A. Hautz, Milwaukee local agent, will address the opening dinner meeting of Insurance Women of Milwaukee Oct. 6.



**The Yorkshire Insurance Company, Ltd.**  
Established 1824

**The Yorkshire Indemnity Company  
of New York**  
Established 1926

**Seaboard Fire and Marine Insurance  
Company of New York**  
Established 1929

**90 JOHN STREET NEW YORK 38, NEW YORK**



## Profit Opportunities of Over-Age Risks Told by Forsythe

The A. & H. companies are overlooking a profitable opportunity when they fail to extend hospitalization and surgical expense coverage to so-called over-age risks, E. B. Forsythe, vice-president of Illinois Mutual Casualty, told the underwriting forum of H. & A. Underwriters Conference at Cincinnati.

"The social planners of our federal government have used this segment of our populace to promulgate their theories of government compulsory disability insurance, prepaid hospitalization, surgical and medical care and socialized medicine," Mr. Forsythe said, adding "there is no reason why private insurance companies cannot underwrite these risks as well as any other risks."

The over-age risks are those in the age brackets of 65 to 80 years. Most claims on a female risk are between the ages of 40 to 55, he commented, at a time when the insured has no trouble in getting coverage at standard rates on an underwriting basis. Surgical procedures on older persons are not as numerous as in younger risks. Hospitalization, he opined, will not be of any greater frequency, although the length of stay will be longer. "Then why not charge an increased premium to offset the longer stay? Require surgery to be added at a regular premium, thereby giving added protection when needed, but such added protection will not be used as often as it will be in the in between ages."

### Income Loss No Problem

Loss of income insurance on older persons is not much of a problem, particularly beyond the age of 70, he said, because these people are retired from active productivity. Underwriting medical payment expense on this type of risk is somewhat of a problem in that they require more medical attention and more doctors' calls. What is needed is an adequate premium with perhaps a longer waiting period on first calls.

Illinois Mutual Casualty writes hospitalization and surgical to age 74 with no renewal age limit. There is a 50% increase in hospital premium from ages 66 to 74 and surgery is required to be added at the regular premium. Mr. Forsythe said that although the company keeps no separate experience on these risks, "we cannot see that it has affected our loss ratio in the least."

Mr. Forsythe related the underwriting practices of some 100 companies as to over-age risks, based on a survey he made.

The age limits for writing accident with a great majority of the companies are 60-64, or 65-69. For A. & H. the figures are five years lower, but with hospitalization there are many companies insuring to age 80. In the late 50's and early 60's, the companies begin to charge an extra premium for accident coverage, while for A. & H. the extra charge comes in the 50's. For hospitalization and surgery, the companies making an increased charge put it on in the 60's. Forty-two companies questioned make no increase in premium for accident; 72 companies replied that they do not increase the premium after the policy has been issued when the policyholder attains a certain age.

Thirty companies said they reduce benefits under a policy after an individual attains a certain age, while 55 do not. Only 16 companies keep a separate record of experience on over-age risks, 71 not doing so.

Mr. Forsythe reported that several comments were made on the questionnaire indicating that the companies had not had sufficient experience in writing this type of business and are studying it. They were getting into the field and within three or five years will have something worthwhile to report. A few companies indicated they are discourag-

ing writing over-age risks, while others indicated from present observation and studying the claims presented, it does not look as though experience will be bad, the indications being that there is a "great possibility of this being a profitable type of business to write."

### Office Management Participants

At the office management conference of American Management Assn. in New York Oct. 16-17 Charles H. Dent, methods research manager of Hardware Mutuals of Wisconsin, will appear on a panel that will discuss developments

in office work management. K. B. Willert, vice-president of Hardware Mutuals, is vice-president in charge of this section.

### W. Va. Auto Rates Go Up

The automobile liability rate increase program went into effect in West Virginia this week, the increases ranging from \$7 to \$11 for BI and PDL combined for private passenger cars. There is no change on commercial cars. In territory 1, which takes in Charleston and Wheeling, among other places, the

class 1 rate is now \$46 as against \$39 and Class 2 is \$76 as against 65. The remainder of state class 1 rate is now \$35 as against \$28, class 2 rate is \$57 as compared with \$46.

### Nat'l Grange Men at Keene

Twenty-five National Grange field supervisors from 10 states attended a two-day conference at the home office at Keene, N. H. Richard C. Carrick, secretary, welcomed the supervisors and Roger C. Emery, agency director, was in charge of the program.



## The amount you pay for Automobile Insurance is determined by:

### 1. HOW YOU and your neighbors drive!

Automobile insurance rates are based on experience in EACH community . . . not a national average. The number of accidents, local court and jury decisions, the cost of claims in YOUR OWN COMMUNITY help determine how much or how little you pay.

### 2. HOW MUCH you drive your car!

When a car is used for business, mileage is greater, exposure is greater—hence the rate is higher.

### 3. HOW OLD you are!

Drivers under 25 years old have an accident record higher than average. Insurance companies have to charge more if you or others who drive your car are under 25.

How you drive, how much you drive and how old you are help to determine how much your insurance must cost . . . based on actual experience.



Your local agent is constantly ready to serve you. Consult him as you would your doctor or lawyer. For U. S. F. & G. claim service in emergency, call Western Union by number and ask for Operator 25.

# U.S.F. & G.

CASUALTY  
FIDELITY-SURETY  
FIRE

United States Fidelity & Guaranty Company, Baltimore 3, Md.  
Fidelity Insurance Company of Canada, Toronto

## ACCIDENT AND HEALTH

### Student School Activity Cover Is Taken Up in Pa.

Colonial Life & Accident of Columbia, S. C., is now one of the companies that is selling student school activity accident insurance. For instance, the board of the Har-Brack joint schools in Pennsylvania has endorsed the program of this company with Frank Altany of Brackenridge, Pa., as the agent. The cost is \$1.25 per year and it must be purchased by half the pupils in order to become effective for any. The policy pays up to \$2,000 in medical expenses and up to \$7,500 capital and principal sum. The policy covers enroute between home and school, while within a school building or on the school grounds, enroute between school and home, while on a school sponsored trip, while on a required field trip, while engaged in athletic contests except football, while being transported as a member of an athletic team, band, etc.

The officials at Tarentum, Pa., are giving consideration to this cover.

Pilot Life and North American Assurance of Richmond are other companies pushing this line. Some of the insurance is at the rate of \$1 per year.

### Fighting Talk at Austin

Travis T. Wallace, president of Great American Reserve of Dallas, spoke at the September joint meeting of Austin Assn. of Life Underwriters and Austin Assn. of A. & H. Underwriters, there being a combined attendance of about 100.

Mr. Wallace described A. & H. coverage as a twin for life insurance, saying that the two are essential to give complete personal protection. He gave the same talk that was such a hit at the L.I.A.M.A. meeting at Chicago, in which he donned a pair of boxing gloves, one

labeled A. & H. and the other Life, and slugged it out with a member of the audience.

### U. of Ill. to Give Disability Teacher Training Course

A three-day disability insurance teacher-training course will be held at University of Illinois Oct. 6-8. The course will include lectures and discussions of course organization, teacher preparation, public speaking, visual aids, and sales techniques.

Speakers will include William G. Coursey, executive secretary International Assn. of A. & H. Underwriters; John G. Galloway, Provident L. & A., Birmingham, Ala., International association president; Carl A. Ernst, North American Life & Casualty, St. Paul, immediate past president; Bert A. Hedges, Business Men's Assurance, Wichita, and members of the university faculty. About 40 are expected at the sessions.

### TDB Hearing in N. J. Oct. 2

Insurers have been invited by disability insurance service of New Jersey division of employment security to a meeting Oct. 2 at Trenton, for the purpose of discussing procedural matters arising out of the recent changes of the temporary disability benefits law.

### Michigan Merger O.K.

LANSING, MICH.—In accordance with a plan announced recently, Judge Coash of Ingham county circuit court has approved a merger into Liberty Life & Accident of Muskegon of the recently organized Ann Arbor Life. It will operate as a stock company, with a big block of stock placed in trust for Liberty L. & A. policyholders. It will maintain its headquarters at Muskegon,

retaining most of the present management.

### Holliday to Federal L. & C. as Underwriting V-P.

B. K. Holliday, who since April of this year has been in charge of the A. & H. operations of Security Mutual Life of Binghamton, N. Y., on Oct. 1 will join Federal Life & Casualty of Detroit as vice-president in charge of underwriting. Stock control of Federal L. & C. was recently obtained by Wolverine of Battle Creek.

Mr. Holliday started in insurance with Continental Casualty in 1939, and was with that company until joining Security Mutual Life. He was an A. & H. underwriter at Chicago; he was for a time special agent out of the Chicago branch office and in 1942 became chief underwriter in the commercial division. In 1946, Mr. Holliday was made director of A. & H. training for Continental, and in 1948 became administrative assistant to head all A. & H. branch offices. The following year he was made assistant superintendent of agents in the special risks division, and then he resumed branch office administrative duties, and in 1951 wrote an A. & H. correspondence course to replace the home office school for agents.

### Mutual Benefit Expands

Mutual Benefit H. & A. is expanding its operations into Central America, V. J. Skutt, president, announced during the Hemispheric Insurance Conference at New York. He predicted that the company in 1952 will have a premium volume of \$100 million.

### Plan Texas Sales Congress

Speakers for the Texas A. & H. sales congress which begins at San Antonio Dec. 1, will have all been secured and will be announced in October, C. E. McDonald, Guardian International Life, told members of the executive committee of Texas Assn. of A. & H. Underwriters meeting at Austin. The group elected Leslie A. Ginn, Business Men's Assurance, secretary-treasurer to replace J. G. Gatoura, who resigned because he is leaving the state.

### Name Finn at Boston

James A. Finn has been named manager of the A. & H. department at Boston for Continental Casualty. He has been an A. & H. supervisor in New England for several years.

### Plan Blue Cross Ad Drive

Blue Cross-Blue Shield, through its national organization, will next year embark on a national advertising program in magazines and newspapers. The J. Walter Thompson Co. will be the agency in charge, with Raymond W. Mody, who has been with Michigan Hospital Service, directing the program from Blue Cross headquarters. The advertising plans are subject to approval of 87 Blue Cross and 68 Blue Shield plans, each of which would be assessed a percentage of premium income.

### Hedges Heard at Wichita

Bert A. Hedges, Kansas manager of Business Men's Assurance and a vice-president of International Assn. of A. & H. Underwriters, was speaker at the September meeting of Kansas Assn. of A. & H. Underwriters at Wichita. This was the opening session for the year, and Mr. Hedges talked on "The Important Programs and Actions Adopted at the 1952 International Convention."

### Health Hearings to Be Closed

WASHINGTON — The President's commission on health needs of the nation will not hold sessions open to the public when its hearings occur here Oct. 7-8 on the financing of health and medical care.

## SURETY

### Notes Court Tendency to Support Government Rights Over Surety's

Commenting that the courts apparently have a "growing tendency to be most sympathetic with the government's position in all cases in which the government is a party in interest," Arthur A. Park, San Francisco attorney, told the insurance law section of American Bar Assn. at San Francisco that the surety companies and the attorneys will have to go to legislatures if they wish to get some relief from some of the recent decisions of federal courts.

Recent court decisions have swept aside many of the surety's long established rights, Mr. Park declared. They have seriously affected the surety and resulted in many problems to the underwriter and claims attorney. He mentioned that of increasing importance are the problems of the government's right of offset; the government's right to file suit for taxes directly against the surety, and the government's right of lien. It is only since 1947 that the surety's rights in any of these matters were held to be subordinate to the government.

The Supreme Court has not yet decided on the government's right to file suit for taxes directly against the surety or on the matter of the government's right of lien, Mr. Park said, but test cases are now before circuit courts of appeal, and there is much interest in the outcome of them.

### Public Official Booklet Is Modernized by Surety Assn.

With a number of new officials to be elected in November and many others returned to office, the revised booklet of Surety Assn. of America entitled "Is the Public Official Personally Liable?" has timely significance.

The two-color booklet gives an analysis of the public official's obligations, the personal liabilities and responsibilities ordinarily inherent in public office, and suggestions for safeguarding his interests. The booklet was first published in 1946, and now has been brought up to date by the inclusion of new forms of coverage, such as the public employee honesty and faithful performance of duty blanket bonds. Special treatment is accorded the public official's contract, his responsibility for deputies and employees, his liability for burglary, robbery and other similar loss, his responsibility for public deposits, and his administration of his office.

Copies may be had without charge from the educational department of association at 60 John street, New York 38.

### Big N. D. State Fund Claim

BISMARCK, N. D.—The state bonding fund board is faced with one of its heaviest claims filed by Morton county which alleges a former treasurer and deputy treasurer embezzled \$200,000 of county funds. The board has withheld decision as to whether it will honor the claim until more detailed data is furnished. Members of the board went to the state penitentiary to talk to Lawrence M. Tavis, sentenced to 15-18 year term after he admitted embezzling about \$95,000. Commissioner Jensen, who chairman of the bonding fund board, said Tavis indicated other persons were involved in the losses.

### Maryland Gets Four Bonds

Dell E. Webb-San Xavier Construction Co., Tucson, Ariz., have been awarded a contract at \$1,316,494 for construction of a preflight apron at the Tucson municipal airport.

Zoss Construction Co., Los Angeles, at \$2,570,800, has been awarded a con-

## A DEPENDABLE MARKET FOR DIFFICULT LINES

*As underwriting representatives of Lloyd's, London, we are enabled to furnish immediate binders, and our daily cable service expedites the placing of many unusual risks, such as the following:*

Abstractors Liability  
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Accountants Liability  
Accounts Receivable  
Automobile Excess B. I. and P. D.  
Automobile Racing Liability  
Aviation—Hull Liability, Accident  
Boiler and Machinery  
Bonds  
Burglary  
Chattel Mortgage Non-Recording  
Collapse of Building  
Contractors Equipment  
Doctors Disability  
Errors and Omissions  
False Arrest  
Fidelity Bonds  
FHM Producers Indemnity  
Fire and Extended Coverage  
(Excess or Surplus)  
Fire Legal Liability  
Fire, Theft and Collision  
Furriers Stock  
Group Medical Reimbursement  
Hail Insurance  
Hand Disablement  
Illinois Liquor Liability

Inland Marine  
Malpractice Liability  
Mortality—Livestock, Zoo Animals  
Motor Truck Cargo  
Non-Appearence  
Ocean Marine  
Oil Drilling Equipment  
Personal Property Floater  
Products Liability  
Professional Entertainers  
Public Liability and P. D.  
Rain Insurance  
Reinsurance—Facultative, Treaty  
Replacement or Depreciation  
Retrospective Rating  
Riot, Civil Commotion, Vandalism  
River Craft  
Salesman's Floater  
Solicitors Indemnity  
Suicide Waiver Insurance  
Travel Accident  
Twin Insurance  
Warehousemen's Legal Liability  
Water Damage  
Workmen's Compensation  
(Excess per Accident or Aggregate)  
Yacht—Hull and P. and I.

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tract for warehouses at the Navahoe Ordnance Depot, Belemont, Ariz.

M. M. Sundt Construction Co., Tucson, has been awarded the contract for barracks and mess hall buildings at the Davis-Montham base there at \$3,104,000.

Baruch Corp., Los Angeles, has been awarded the contract at \$1,603,000 for construction of the life-science building on the U. C. L. A. campus.

Maryland Casualty through its Los Angeles branch is originator of the bonds on all four jobs, with other sureties participating as co-insurers.

## CHANGES

### United Pacific Names Two in Home Office Surety Posts

Thomas D. Kelley, assistant manager of United Pacific at Kansas City for seven years, has been appointed assistant manager of fidelity and surety claims at the home office. Before joining United Pacific in 1945, he was manager

of the bonding claims department of Western Casualty at Kansas City. He is a graduate of Fordham University law school, and started in the home office legal department of Fidelity & Casualty.

Edwin J. Blake has been made supervisor in charge of production and underwriting of court, fiduciary, license, permit and all other miscellaneous surety bonds at the home office. He joins United Pacific after 15 years with National Surety at New York as senior underwriter of court bonds. He is a graduate of Williams College and a veteran.

## COMPENSATION

### Minn. Employer Groups Again Test Rates in Court

ST. PAUL—Another court test of the increase in compensation rates for 1951 will be made by two employer organizations, Minnesota Employers Assn. and Associated General Contractors of Minnesota.

The matter has been in the courts most of the time since the compensation insurance board approved an increase

### Cook Made Vice-president of American Automobile

Ferd M. Cook has been elected vice-president of American Automobile and American Automobile Fire. He has been with the organization since 1940. Before that he was with Central Surety for 10 years. He is a graduate of Kansas City School of Law and a member of the Missouri bar.

He started with American-Associated as a special agent at Kansas City. In 1941 he was transferred to the automobile division of the head office underwriting department as senior underwriter. In 1942 he was promoted to assistant superintendent of that division. In 1946 following three years in the naval reserve, he was made superintendent. In 1949 he was elected assistant vice-president and assumed executive direction of the automobile underwriting division.

### Stainsby to Boston Agency

George N. Stainsby has resigned as New England manager of Fireman's Fund Indemnity to join the Wendell Berman agency at Boston as sales manager.

Before going with Fireman's Fund in 1950, Mr. Stainsby had been New England manager of Great American Indemnity. He graduated from Dartmouth and was with Liberty Mutual and the Terbusch & Powell agency at Syracuse, N. Y., before the war. After service he was with American Foreign Insurance Assn. for a time.

### Joins American Mutual Re

David L. Tressler, formerly reinsurance counsel of Security Mutual Casualty, Chicago, has been appointed claims manager of American Mutual Reinsurance. He attended University of Chicago and graduated from John Marshall Law School. After private practice at Chicago he joined the home office legal staff of Security Mutual Casualty Company in 1942. Since 1948 he has specialized in handling reinsurance claims.

### Advance Hills at Syracuse

Franklyn Hills has been appointed superintendent of casualty underwriting at Syracuse, N. Y., by Hartford Accident. He started in 1928 with the home office statistical department. He was later transferred to the automobile underwriting department, then became assistant supervisor of the service department at the home office, and just before being assigned to Syracuse in 1951 was a casualty underwriter in the agents service department at Hartford.

### Runz Replaces Rose

Robert L. Runz has been appointed casualty and bond special agent in northern New Jersey for Phoenix of Hartford. He takes the place of Pierce J. Rose, who goes to Chicago as casualty and bonding superintendent.

### Ask Higher Assigned Limits

Greater New York Insurance Brokers Assn. has urged the assigned risk plan to accept limits in excess of the present 10/20/5 limit and to add medical payments.

## Over the Transom



**Best proof that your client is satisfied, is the renewal that comes "over the transom."**

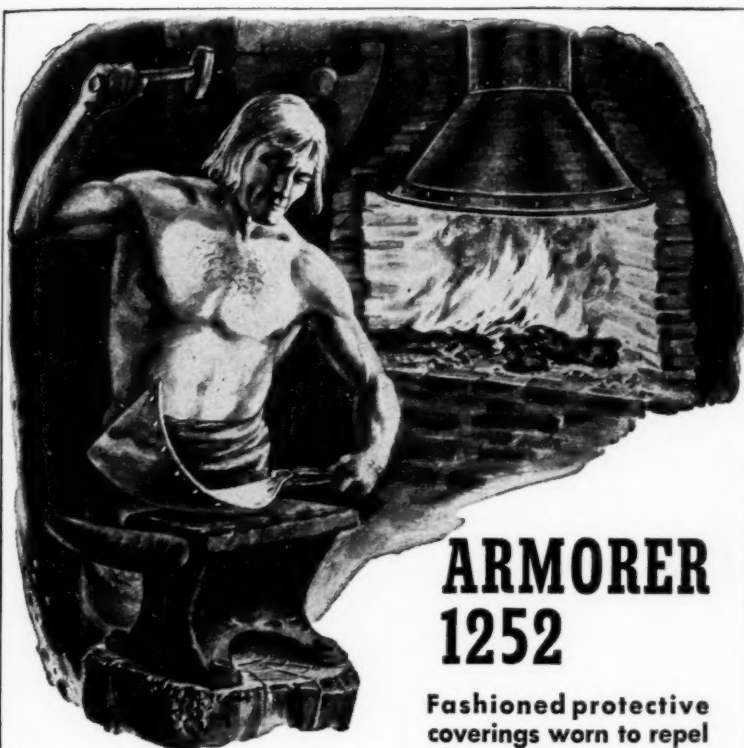
**Power Plant Insurance requires expert engineering service to develop and maintain client satisfaction.**

**That's a big reason why more agents and brokers place more of this line with Hartford Steam Boiler than with any other company.**



*The*  
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Hartford 2, Connecticut

**It pays to CHOOSE THE BEST**

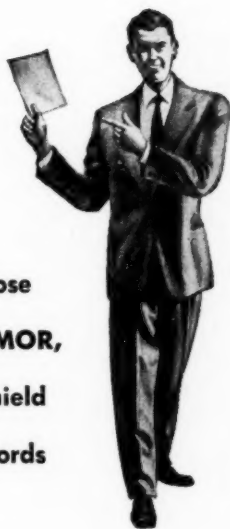


## ARMORER 1252

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**INVISIBLE ARMOR**

## NATIONAL SURETY CORPORATION

4 Albany Street, New York

### Claim

state bond one of its ton county casurer and \$200,000 of as withheld l honor the ata is furd went to k to Law 15-18 year embezzling er Jensen. nding fund other per-sses.

### Bonds

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of 8.2% on 1951 business. The employers went into district court here but lost their case there and appealed to the supreme court which rejected the rate increase and last May ordered the board to review the matter again. In July the board again approved the 8.2% increase and made a more detailed explanation of how it was arrived at.

### Probe Ohio Fee-Splitting

A system of licensing persons authorized to practice before the Ohio industrial commission, which administers the state's monopolistic workmen's compensation plan, may result from a subcommittee hearing of the Ohio program commission at Toledo, at which a Toledo witness said he made \$4,000 a year by channelling workmen's compensation cases to a Columbus attorney on a fee-splitting basis. The sub-committee is investigating complaints of "ambulance chasing" and other bad practices by persons handling compensation cases. Present rules of the industrial commission allow any person to serve as a claimant's representative in cases before it, without requiring evidence of specialized knowledge of workmen's compensation.

### County Can't Self-Insure

A county cannot act as self-insurer for its employees under the workmen's compensation act, assistant attorney general J. M. Ferguson of Kentucky, declared in an opinion given to a county attorney. "The express power to purchase compensation insurance cannot be construed to imply a power in the county to act as its own insurance carrier," the attorney general stated.

### Uphold Ky. W.C. Law

Circuit Judge S. E. Lampe of Louisville has upheld the 1952 amendments to the Kentucky workmen's compensation law that had to do with making employees automatic participants under the law unless they signed a statement indicating they do not want to take part. This was a test case filed by an assistant state attorney, and he will appeal the ruling. The attorney, John L. Knopf, acting in a private capacity, claims that the new law limits the employees' right to recover damages for injuries since a person participating is barred from filing a civil suit for injuries already covered under the compensation act.

### Public Hearings on Rate Changes Suggested in Minn.

ST. PAUL—Public hearings on proposed changes in automobile rates might be advisable in the future, the St. Paul Pioneer Press-Dispatch says editorially in commenting on the demand of city officials for a legislative investigation of automobile liability insurance rates. The demand for the investigation followed the recent raise in rates in Minnesota.

"The insurance commissioner stands between the companies and the public in the role of an umpire, which is often a difficult one," the editorial says. "If the legislature should conduct an investigation of insurance rates it would necessarily include an examination of the records of the insurance commissioner's office and the decisions it has made. Perhaps greater effort should be made by both the insurance commissioner and the insurance companies to hold public hearings on rate changes and to see that interested groups of citizens are given more detailed facts when increases are sought."

### Accident Program in Colo.

A far-reaching program designed to halt Colorado's increasing highway accident toll was ordered into effect by Governor Thornton, who declared a formal state of emergency as the state's highway accident deaths for 1952 reached a total of 246, an increase of 14

over the 1951 figure.

Implementing a sweeping program recommended by the State Highway Safety Council, the governor called for revocation of licenses of all motorists convicted of reckless driving; immediate driver's license reexamination for all persons involved in accidents of any kind, no matter how minor, and psychiatric examination of "accident prone" drivers.

He also asked for reexamination for all persons who have had two or more accidents during the past six months or who have had two or more "moving" violations.

State Attorney General Duke W. Dunbar was appointed by the governor to serve as chairman of the State Safety Council.

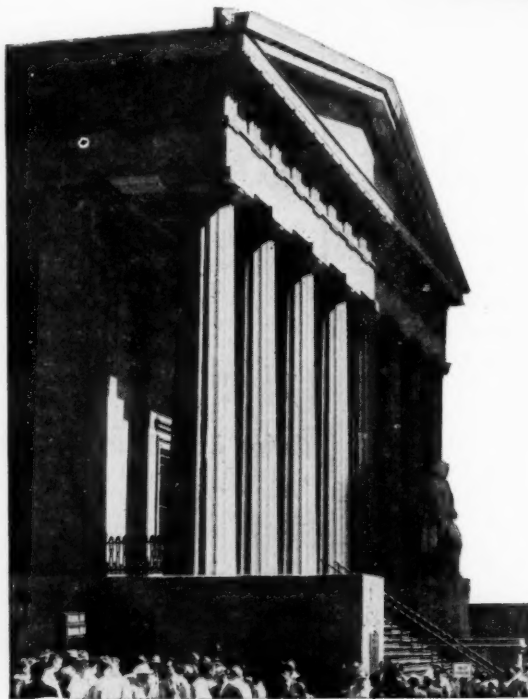
### Radical Auto Insurance Rules are Feared in N. B.

Those attending the agency management session of Conference of Mutual Casualty Companies at Chicago learned in the course of a discussion that some radical measures affecting automobile insurance may be in the offing in New Brunswick. There is a lot of smoke in

that province. Enabling legislation was passed at the last session so that the government can now do anything it wants by way of proclamation in the automobile regulatory field. There is strong indication that this may be done, perhaps early next year.

The member conveying this information was formerly located in Canada and is closely in touch with affairs north of the border. He expressed the belief that the Manitoba plan is a pretty palatable one and he said he wouldn't know how to suggest improving on it. This embraces a strict financial responsibility law, impoundment of cars in-

# SERVING THE



The leaders, those who get to the top and stay there, have one important qualification in common—they don't sit still and coast. For essential to continuing leadership, is continuing growth and the ability to continually apply fresh thinking to everyday business problems.

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involved in accidents that are not covered by insurance and an effective safety system. He noted that on the first day that the impoundment law went into effect a bus filled with passengers that was involved in an accident was impounded and that publicity served to bring the requirement forcibly to the attention of the rank and file of motorists.

#### Safety Council OK's Raise

"From the standpoint of safety, the new increase in automobile bodily injury and property damage rates is the best thing that ever happened," Nolen

H. Puckett, executive director of Tennessee Safety Council, declared at a luncheon meeting of Chattanooga Safety Council. He said the state council believes the higher rates "will get everybody in the state safety-conscious."

#### Neb. Institute Sponsors Are University, Federation

The program for an insurance institute sponsored by University of Nebraska and Insurance Federation of that state at Lincoln, Oct. 31-Nov. 1 is shaping up. There will be diversion the afternoon of Nov. 1 in the form of at-

tending the Nebraska-Missouri football game.

There will be speakers from both the life-A. & H. and property insurance fields on each of four subjects which are: Underwriting trends, distribution developments, investment problems and relations with government. Ralph Lounsbury, president of Bankers National Life of Montclair, N. J., will address the banquet Oct. 31 on current trends, problems and developments in insurance.

The speakers include H. Lewis Reitz, vice-president of Lincoln National Life, and Paul Wilson, executive vice-president of Planet of Detroit, on under-

writing trends; Charles J. Zimmerman, managing director of Life Insurance Agency Management Assn., and Carleton I. Fisher, prominent local agent of Providence, R. I., on distribution developments; Dr. James O'Leary, investment analyst of Life Insurance Assn. of America, and Shelby Cullom Davis, specialist in insurance stocks at New York, on investment problems, and Robert L. Hogg, executive vice-president of American Life Convention, and Milton W. Mays, director of Insurance Executives Assn., on relations with government.

#### Insurance Angle to Drive

Policyholders Protective Assn. of New York, under the chairmanship of Robert E. Smith, 116 Nassau street, is sending out literature urging people to vote for candidates who will protect the value of life policies.

The association is an offshoot of the Insurance Policyholders Assn. incorporated in Delaware in 1940. A. E. Solanas, assistant to Mr. Smith, says the objective of the association "is the protection of life insurance and particularly the purchasing value of the proceeds of life insurance."

Mr. Smith is a director of the New York, New Haven & Hartford Railroad and is a railway financial consultant. George B. Rowell, 84 State street, Boston, is counsel for the association.

#### Accent Work Shop Idea

At a two-day meeting at Chicago of officers, directors and committee members of Insurance Accounting & Statistical Assn. plans were made for the annual conference next June. An enthusiastic response by members was reported on the workshop sessions held at the Cincinnati meeting in May. Under the leadership of Ralph Kennon, chairman, and Dudley Pruitt, president, the 60 persons at the meeting agreed to increase the scope and extent of the workshop sessions. In addition, it was decided that panel discussions would be held dealing with formal papers that will have been sent out prior to the conference.

#### Baum Saginaw President

Burt C. Baum has been elected president of Saginaw (Mich.) Assn. of Insurance Agents, succeeding William C. Johnson. Other association officers were reelected: Vice-president, George L. Leidlein; secretary, Clara Laesch, and treasurer, William F. Klump.

Russell A. Merrill of the Tobey & Merrill agency, Hampton Falls, N. H., was married there to Ada M. Heal.

#### Madison Insurer Has Housewarming



MADISON—Several thousand persons attended the open house dedication of the new \$1½ million home office of Farmers Mutual Automobile over the week end.

The two-story building is located on 13 acres. The structure is of reinforced concrete with the exterior of Indiana limestone. The floor space area is 86,000 feet.

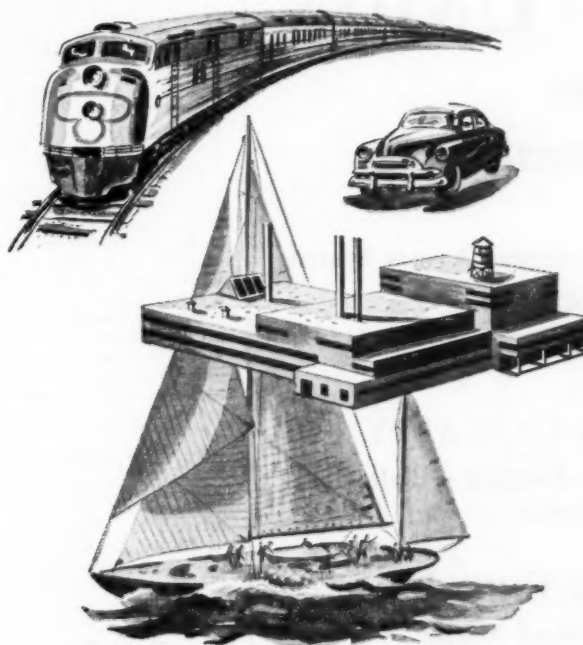
Farmers Mutual Automobile will observe its quarter century birthday Oct. 3. It now employs more than 400 office workers, has 50 branch office employees, and 3,000 agents in 12 mid-western states. It insures more cars than any other such company in Wisconsin, has a premium volume of \$15 million and a surplus of more than \$7 million.

The top operating officials are H. L. Wittwer, secretary; Irving J. Maurer, treasurer, and Alex H. Oppenorth, assistant secretary.

# LEADERS



In providing insurance to fit the changing requirements of American industry, which is so essential to its outstanding achievements, we are indebted to the National Association of Insurance Agents. Their constructive work has been of invaluable assistance to us in "Serving the Leaders."



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## Tells How Health Insurance Council Aids A. & H. Field

A start in improving relationships of the A. & H. business with doctors and hospital groups has been made through the Health Insurance Council, James Andrews, Jr., director of health insurance for Life Insurance Assn. of America, told the insurance law section of American Bar Assn. at San Francisco.

While in many areas the insurer-hospital-doctor relationships were already good, Mr. Andrews explained that doctor and hospital administrators are both realistic enough to recognize that, with philanthropy greatly reduced, many voluntary health institutions are dependent primarily on income from their patients, and this in turn is supplied to an increasing degree by the insurers. "Most medical care personnel also recognize that the system of paying for that care remains healthiest when the public has a choice of many competitive agencies such as is now provided by the insurance companies, the cooperatives and Blue Cross and Blue Shield," he added.

Group hospital admission plans as developed by the council, represent one type of activity that can help remove the frictions that develop as more people are covered with health insurance, Mr. Andrews declared. However, he warned that patience and good will are essential characteristics on the part of all participants if the voluntary system of paying for medical and hospital care is to continue and command public support in preference to a compulsory system under government control.

### Business Called Complex

The diversity of coverage in the health insurance field, its growth as a sideline to casualty insurance on one hand or life insurance on the other, have caused the business to be attacked for being complex in its relationships, Mr. Andrews said. It grew up in an unplanned way, and over half of the insurance in force is in the group field, or when Blue Cross and Blue Shield are included, the figure goes up to almost 75%. In group insurance a third party comes between the insurer and the beneficiary—an employer or a union—and financial and administrative considerations are bound to affect the ability of the insurers to coordinate their coverages with the needs of the public

as seen through the eyes of those who provide the services—doctors and hospitals. In developing the group coverages, the interests of these third parties who have questions of general wage structure to consider as well, must be coordinated with those of the insured and the doctors and hospitals.

It was out of a conflict of interests between these parties that the hospital admissions plans were developed. Mr. Andrews explained that a group insured in Chicago, that happened to be a newspaper, was told that the coverage for its employees could not be accepted as credit at a hospital admissions desk. The hospitals said that the employee's group coverage could not be taken as credit because:

### List Objections

1. The hospital did not know whether the insurance was in force as to a particular patient or whether he had paid his premium.
2. The hospital did not know what the benefits might be since they vary from policy to policy.
3. It was not known whether the benefits would be payable in this particular case because of some clause in the policy.
4. If the hospital were to take an assignment, it would not know whether its form would be acceptable to the insurer.
5. Should the hospital take an assignment, the patient might be paid first and fail to pay the hospital.
6. The claim blanks of companies are so diverse as to require extensive clerical work and consequent delay in the payment of a claim.

Following the introduction of the Chicago plan four years ago, 30 other programs were put into effect throughout the country. One of the by-products of this movement has been to take the "mumbo-jumbo" out of A. & H. insurance, Mr. Andrews remarked. Even if prospects understand their hospitalization policies when they buy them, they soon forget the terms if they do not actually use the policy immediately. Under these plans, at the very time the insurance is to be used, all parties understand what is provided. Hospitals are no longer bothered with patients who claim they are insured for the full bill. They are able to advise patients to take less costly accommodations more in keeping with their resources. Employers are encouraged to liberalize their plans making them more realistic in the light of known hospital charges, and they are able to make a more balanced choice between the full coverage offered by Blue Cross and indemnity insurance with a co-insurance element offered by the companies. "Essentially the coverage is unchanged but it is more serviceable."

### Va. Rate Hearing Oct. 6

RICHMOND—Virginia State Corporation Commission will hold a hearing Oct. 6 on rate increase requests of 19.3% on private passenger auto BI and 14.1% on commercial vehicles. Proposed increases for PDL are 40% for both private passenger and commercial vehicles.

Lorraine H. Bristow has resigned from Century Indemnity to join Marsh & McLennan at Buffalo. She is president of Insurance Women of Buffalo and a director and secretary of Insurance Club of Buffalo. She is a past secretary of N. Y. State Federation of Insurance Women's Clubs.

Insurance Women of Eldorado, Kan., opened the year with a luncheon Sept. 16. New officers are: President, Nancy Berry, J. C. Hoyt & Co. agency; vice-presidents, Jessie Reynolds and Viola Ernest; secretaries, Dorothy Sprecher and Mildred White; treasurer, Helen Sprague.

William Lawler has sold his agency at Marion, O., to Robert F. Murphy.

Don F. Odgers, West Bend, Wis., has purchased the local agency of the late O. C. McCollow at Hartford, Wis. He has been with West Bend Mutual Fire for three years, recently as loss manager.

## One "Pop" Tune Not for Juke Box

H. C. Klein, secretary of New York Underwriters, introduced a new song at the forum on business interruption he conducted at the convention of Pennsylvania Assn. of Insurance Agents. It proved highly successful. The tune is artillery caisson song. He offers it to all and sundry, with or without credit.

Part 1 to be sung by agents and fieldmen

U and O, U and O,  
That's the form that we must know  
And the best form that we have to sell.

U and O, U and O,  
That's the form that we must show  
To the prospects that we want to sell.

So it's Hi, Hi, Ho, as we visit stores and plants

Selling good prospects everywhere  
Rah! Rah!

We've set our goal, to make it we will show

We can sell, we WILL sell U and O.  
Part 2 to be sung only by fieldmen:  
U and O, U and O,

That's the class our companies want,  
It's the form we'll help agents to sell.

U and O, U and O,  
That's the form that will account  
For new business our premiums to swell.

So it's Hi, Hi, Ho, as we go from town to town

Working to sell it everywhere  
Rah! Rah!

We've set our goal, to make it we will help

All our agents to sell U and O.

### Carrick Text Revised

R. C. Carrick, president of Peerless Casualty, and certain of his associates have prepared a textbook for prospective agents to study when preparing to take an examination for license. This book was originally prepared in 1952 and has had four reprintings. The first revision is the present publication. The subjects covered are all lines of casualty and liability, A. & H., fidelity and surety, and fire and marine.

The C. Stewart Shoemaker agency at Butler, Pa., has opened a branch at Zelienople.

## STOCKS

By H. W. Cornellius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago	Sept. 23, 1936		
	Div.	Bid	Asked
Aetna Casualty .....	3.00*	92	95
Aetna Fire .....	2.25*	54	55 1/2
Aetna Life .....	2.50*	92 1/2	94 1/2
American Alliance .....	1.50*	32 1/2	34
American Equitable .....	1.50	28 1/2	30
American Auto .....	2.00	45	47
American (N. J.) .....	1.00	26 1/2	27 1/2
American Surety .....	3.00	51	53
Boston .....	2.60*	69 1/2	72
Camden Fire .....	1.00	23 1/2	24 1/2
Continental Casualty .....	2.50*	82	84
Crum & Forster Com. .....	2.00*	41 1/2	43
Fire Association .....	2.60	64	65 1/2
Fireman's Fund .....	1.60	57	58 1/2
Firemen's (N. J.) .....	.80	26 1/2	27 1/2
General Reinsurance .....	1.60	36 1/2	38
Glens Falls .....	2.00	61 1/2	63
Globe & Republic .....	.80	15 1/2	16 1/2
Great American Fire .....	1.50*	36 1/2	38
Hartford Fire .....	3.00*	147	149
Hanover Fire .....	1.60	37 1/2	39
Home (N. Y.) .....	1.80	38 1/2	39 1/2
Ins. Co. of North Am. .....	2.50*	81	83
Maryland Casualty .....	1.00	24 1/2	25 1/2
Mass. Bonding .....	...	21 1/2	22 1/2
National Casualty .....	1.50*	28	Bid
National Fire .....	2.50*	68	70
National Union .....	1.80	41	42 1/2
New Amsterdam Cas. .....	1.50	38	39 1/2
New Hampshire .....	2.00	45	46 1/2
North River .....	1.20	29 1/2	31
Ohio Casualty .....	1.20	65	67 1/2
Phoenix, Conn. .....	3.00*	102	105
Prov. Wash. .....	1.50*	29 1/2	31
St. Paul F. & M. ....	.80	34	35 1/2
Security, Conn. ....	1.60	38	40
Springfield F. & M. ....	2.00	51	53
Standard Accident .....	1.60	36	37 1/2
Travelers .....	14.00*	667	665
U. S. F. & G. ....	2.00	55 1/2	57
U. S. Fire .....	1.40	43 1/2	45

\*Includes extras.

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two strong companies

...strong in their belief in the American Agency System

...strong in prompt settlement of claims

...strong in field service to agents

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Automobile—General Liability—Burglary—Plate Glass  
Fidelity and Surety

### THE BUCKEYE UNION FIRE INS. CO.

Fire—Allied Lines—Inland Marine

Capital Stock Insurance Companies operating in Ohio,  
Indiana, Pennsylvania, Michigan and Kentucky

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209 So. LaSalle St., Chicago, Illinois

We write every practical form of Life, Accident, Health, Hospitalization  
and Medical Expense Insurance.

District Managers and Representatives WANTED

A. E. FORREST JR., President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY



# T. E. Terrell Elected Idaho President

(CONTINUED FROM PAGE 17)

from the more or less standard convention arrangement in that officers were elected at the opening business meeting, following committee reports and discussion of various matters.

Spencer Nelson of Liberty National appeared at that session and explained the confusion which arose following the change of the company's name from Idaho Compensation. The company, he said, hopes to broaden its territory and get into multiple line underwriting. But it has no intention of getting away from the agency system and values its relations with the Idaho agents highly.

At the first general session, at which R. S. Hunter, city commission chairman, welcomed the agents to Pocatello, William Ferguson of New York, chairman American Uniform Boiler Law Society, explained the proposed uniform boiler and pressure vessel code which has been adopted in 34 states and a number of Canadian provinces. Mr. Ferguson, who was with Travelers for many years, said that his organization comprises boiler manufacturing insurance, public utility and manufacturing interests, and exists to promote safety and uniform legislation. In several western states, including Idaho, he said, there is no satisfactory code and consequently these states are dumping grounds for disguised unsafe second-hand equipment. He emphasized that a desirable code promotes use of standards which are adapted to progress in engineering, rather than frozen to inflexible requirements, and asked the Idaho agents to support this code.

## Discuss Agency Management

C. H. Zacher, San Francisco, assistant manager of Phoenix of Hartford, and E. W. Cragin, Las Vegas, Nev., local agent, attracted much interest with a discussion of agency management. Mr. Zacher recommended for efficiency consideration of use of renewal notices requesting premium with the order, use of self-addressed envelopes in correspondence with clients, writing combined policies as much as possible, use of window envelopes, proper arrangement of office space, use of mechanical equipment and keeping records of sales efforts. He was decidedly against mailing of renewals without contact with the client and told of the success many agents have had with increasing amounts and adding other coverages by use of the telephone before renewal. He also said that blind mailing of renewals is expensive because of the number of changes required and the flat cancellations where the insured has moved away, sold the property or placed his insurance elsewhere. He urged careful attention to collections, pointing out that 20% of insured account for 80% of collection problems.

## Keep the Personal Touch

Mr. Cragin, who is a former mayor of Las Vegas, said that no one has been able to get away from the personal equation in an insurance agency and that an agent who becomes too busy or too important to talk to a customer personally is on the down grade. He said this takes time, but no agent should dare neglect it and he should not be too proud to do night work when he has to catch up on office details.

J. C. O'Connor, Cincinnati, executive editor of the "Fire, Casualty & Surety Bulletins" of The National Underwriter Co., discussed selling in general and surveys in particular. He pointed out a number of pitfalls on which surveys have been wrecked and said that failure of producers with surveys can usually be traced to one or more of these.

M. K. Strasser, San Francisco, traffic safety specialist of Assn. of Casualty & Surety Companies, was the final Monday speaker. He said that if every highway were as good as the best, accidents

might be reduced 5%. If every automobile were as good as the best, there might be another 5% reduction, but that making every driver as good as the best would reduce accidents 90%. He explained and urged support for his organization's program of strict licensing, compulsory vehicle inspection, modern laws and strict enforcement, more and better trained enforcement officers and driver education. He said Idaho has done a good job in the latter respect and praised the Idaho agents for their part in the work.

## Entertainment Provided

There was a hospitality hour and buffet dinner the first evening at the Pocatello Golf & Country Club, with field men as hosts. The next afternoon was given over to golf, followed by a reception given by United Pacific and a cabaret dinner dance with John Henry Martin, San Francisco manager of Standard Forms Bureau, as master of ceremonies. The second morning's program included Commissioner O'Connell, Mr. Martin on "Trends in the Business," Joseph Leopold, Dallas, of National Tax Equality Assn., and H. H. Mathmann, San Francisco, assistant vice-president of Fireman's Fund, on "The Automobile Insurance Problem."

## TELLS N. Y. BUYERS

# Casualty Rating Trend Is to Need of Individual Risk

Recent development of individual rating plans in the casualty field have a definite uniform trend toward a single goal, Seymour E. Smith, secretary in the compensation and liability department of Travelers, told the New York chapter of National Insurance Buyers Assn. this week. Interstate rating, experience rating, expense gradation, composite rating and the various retrospective plans all work toward developing rates that are closely as possible tailored to meet the needs of the individual assured, he said.

What the casualty business is trying to do, he declared, is have a final premium that is a fair and realistic measure of the hazards and expense requirements of each of the various sizes and classes of risks, and to provide these charges in a way to meet the operating methods and protection requirements of individual policyholders. This is being done not only to meet the provisions of the rating laws, but as a part of a competitive aspect of the business, and as the result of the influence the buyers have had in making known their demands in the rating field.

## Admits Complications

The criticism that many of the recent casualty rating plans are too complicated is perfectly justified, Mr. Smith admitted, but the reasons for the complications are not subject to quick or easy solution. A wide range of flexibility is required if the plans are to obtain their objective of meeting the needs and peculiarities of a wide variety of individual risks, and at the same time they must meet the approval of the rating laws of the states. One of the greatest needs of both the buyers and the companies is more uniformity and simplicity among the individual state rating procedures, Mr. Smith asserted. In many cases it is comparatively simple to develop a sound and reasonable rating result for an interstate operation, but the task is made difficult and complicated when the rating procedure must be patterned to fit the laws of each state in which the risk is located.

This situation is further complicated by the divergence of outlook both among

states and the companies as to the proper type of regulatory procedure. At one extreme, Mr. Smith said, is the belief that sound rate regulation requires rigid adherence to precise statistical data and that there should be no room for judgment or flexibility in the treatment of individual risks. "The numbers go in one end of a rigid formula and the answer comes out the other end."

At the other extreme is the belief that judgment and competition in individual risk rating should not be restrained, and that the regulatory functions should be only to see that the companies remain solvent and do not discriminate unfairly. He said his belief is that the solution that is best for the business would leave room for competition and the use of reasonable judgment. "It is encouraging that the recent trend among the states is toward greater uniformity in this respect," he said. "There are

still wide differences among individual jurisdictions but overall these differences are lessening and thus working toward improved simplification."

## Launch Tenn. Safety Drive

Tennessee Assn. of Insurance Agents, Nashville Insurers and the Tennessee advisory committees of Assn. of Casualty & Surety Companies and National Bureau of Casualty Underwriters were among the 25 local and state organizations represented at a meeting at Nashville to organize for a statewide safety campaign. A special "citizens committee," selected from the groups represented, will be chosen at once, with state and national safety groups to provide direction for the program. Mandatory high school driver training before obtaining driver's license was recommended as the "long-range" solution.

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# N.A.I.A. Meeting Climate Peaceful

## Cooperation Has Proved Its Merit, Van Vechten Says

### Urges Continuance of Commission Committee

CLEVELAND — The theme of the 1951-52 administration of N.A.I.A., progress through cooperation, has achieved very material and, hopefully, lasting results, J. F. Van Vechten, Akron, the retiring president, told the opening general session of the N.A.I.A. convention here.



J. F. Van Vechten

other producer groups, regulatory authorities, and units of the agency system itself.

### Commission Committee

In a review of the purposes of some of the newer committees, he emphasized that the duties of the special group on commissions "preclude any suggestion of or agreement to rates of commission." The report of the committee cites various happenings related to commissions including the gearing of commissions to loss ratios.

Because forewarned is forearmed, "we deem it advisable that this committee be continued," he said.

In the automobile field, with increasing accidents, higher rates, the threat of compulsory and other things, "we are beset from within and from without," Mr. Van Vechten plaintively commented. But N.A.I.A. has steadfastly opposed compulsory, it has supported new safety responsibility laws, the agents have done a great deal in the field of traffic safety, both long and short range, and he urged they continue to do their utmost to make people safety conscious and reduce accident frequency.

### Tribute to Bennett

He was generous in his praise of the other committees and the work done outside such units by agents and their headquarters staff. He paid particular tribute to retiring General Counsel Walter Bennett and his contributions to the progress of agents and their association.

He recommended continued contact with regulatory authorities, attendance at all commissioners' meetings, effort to get an industry wide, fire-casualty, public relations program, use of every means to curtail motor vehicle accident frequency, and exercise of franchise Nov. 4.

### New Officers Named

New Vice-president E. J. Seymour, Monroe Louisiana. Executive committee, one year, J. A. Neumann, Jamaica, New York. 2 year, R. D. Calister, Salt Lake City. 3 year term, Kenneth Ross, Arkansas City, Kansas.

## Gavel Passed from Akron to Chicago



Walter Sheldon of Chicago (left) new N.A.I.A. president and John Neville, headquarters secretary, look on as James F. Van Vechten of Akron, the outgoing president, points out features in convention program.

## Matters of Import Occupy Background at Cleveland

### Sheldon and Seymour Loom as Top Team as Balloting Starts

By KENNETH O. FORCE

CLEVELAND—The annual convention of N.A.I.A. here was one characterized largely by the good humor of the participants and the generally peaceful atmosphere that prevailed. Several matters of import occupied the background, including the automobile insurance market and the question of association policy on commissions. These remained pretty much in the same condition and position.

The 11th hour advertisement had Walter M. Sheldon of Chicago moving into the presidency, succeeding James F. Van Vechten of Akron, and the best sources of information pointing to E. J. Seymour of Monroe, La., as vice-president. The constitutional amendment was adopted which increases from seven to eight the number of executive committee members and ups from two to three the number selected from state national directors.

### Attendance Is 2,050

The crowd was an excellent 2,050, not a record but lots of people, though distribution of them and convention events in several hotels and buildings dissipated some of the effect of the large gathering. The America Fore cocktail party Tuesday evening was a pleasant affair, and again proved its claim to the title of the biggest cocktail party in the world—of insurance. Ohio Farmers proved its northern hospitality by sponsoring the music and ballroom for the Tuesday dance.

One thing the convention program revealed is the substantial amount of very fine work being done by agents and their associations to help cure the automobile accident situation. A number of the program features dealt with this kind of work, including driver education effort and responsibility legislation of the New Jersey agents, which was described by Herbert L. Brooks, East Orange, chairman of that group's public relations program, at the public relations session of the N.A.I.A. meeting.

### Cites New Orleans Program

At that meeting also, James C. Kraus of New Orleans discussed the trained insurance specialist program which the agents there have been so successful in selling to the public. Based on a well conceived and properly maintained local advertising program, the campaign has used case histories and other means to sell the qualified stock agent and his business.

The board of state directors adopted a resolution calling on the executive committee to take up with the companies the project of a joint company-agency advertising. Cited was the success of the life companies in building goodwill in this way.

In spite of the countrywide concern over the auto insurance market, the action of the southern territorial conference in frowning on the New York demerit rating plans seems to reflect the

(CONTINUED ON PAGE 38)

## Multiple Peril Session Draws Largest Crowd

CLEVELAND—Agents displayed their keen interest in multiple peril developments by crowding into the panel session on the subject almost 800 strong, by far the largest gathering of this geographically fractured N.A.I.A. convention (split among four hotels, Ed.). Only the America Fore cocktail party and the banquet pulled in more.

The blue ribbon panel was equipped to and did express well the viewpoints of companies, commissioners, agents, and bureaus. Commissioner Cheek of North Carolina made a strong plea for standardization and told agents it is up to them to shape the future of multiple peril package policies in this and other respects.

After Deane W. Merrill of Newark had set the stage with a review of developments in the field and a summary of the C.P.C.U. New Jersey chapter survey, Mr. Cheek, Milton W. Mays of Insurance Executives Assn., Roy C. McCullough of Multiple Peril Insurance Rating Org., Harry F. Perlet of National Insurance Service & Advisory Org., Elmer A. Twatts of National Bureau of Casualty Underwriters, and Harold L. Wayne of Inland Marine Underwriters Assn. gave their views. Maurice J. Hartson, Jr., of New Orleans, chairman of N.A.I.A.'s property insurance committee, introduced the subject and the speakers, and Morton V. V. White, Allentown, Pa., chairman of the property subcommittee on multiperil put the question to the panel.

### Agents Confused, Hartson Finds

With the present differences in packages, and the shadow of more ahead agents are confused, Mr. Hartson commented. They are both apprehensive and intrigued by the possibilities. Mr. Merrill emphasized that agents badly need some standardization of policies and endorsements.

The multiperil subject and the attitude of the organization toward it will be up for thorough reconsideration by I.E.A. at the semi-annual meeting at White Sulphur this week, Mr. Mays



R. C. McCullough



Harry F. Perlet

said. I.E.A. has been studying package policies for at least 16 years.

The latest declaration of policy by I.E.A. is that it should continue to study multiple peril insurance, especially in the dwelling class, Mr. Mays added. Furthermore, such forms as are developed should be on a named peril basis, covering direct damage. The study

(CONTINUED ON PAGE 35)

## Walter Bennett and Bower of Past Presidents at Cleveland Banquet



PAST-PRESIDENTS OF N.A.I.A. AT THE DINNER AT CLEVELAND SUNDAY SALUTING WALTER H. BENNETT AS HE RETIRES AS COUNSEL, AND AFTER 33 YEARS AS HEADQUARTERS EXECUTIVE OF THE ASSOCIATION:

Seated, from left—J. F. Van Vechten of Akron, the 1951-52 president; John C. Stott of Norwich, N. Y., who was master of ceremonies; Melvin Miller of Fort Worth, who was elected president in 1950; Mr. Bennett; Allan I. Wolff of Chicago, 1933; Walter Sheldon of Chicago, on the eve of his election as president.

Standing: W. B. Calhoun of Milwaukee and Orlando, Fla., 1931; W. Eugene Harrington, Atlanta, 1927; Charles L. Gandy of Birmingham, 1932; O. Shaw Johnson of Clarksdale, Miss., 1949; Guy T. Warfield, Jr. of Baltimore, 1946; Cliff C. Jones of Kansas City, 1925; Frank R. Bell, of Charleston, W. Va., 1923 and the senior past president at the dinner; Sidney O. Smith of Gainesville, Ga., 1939; W. Ray Thomas, Pittsburgh, 1944 and David A. North of New Haven, 1942.

## One-Write Idea Offered for Inland Marine

CLEVELAND—A "one-write" inland marine policy was unveiled at the opening meeting of the N.A.I.A. national board of state directors here Monday evening.

Archie Slawsby, Nashua, N. H., member of the N.A.I.A. property insurance committee, showed a proposed form which he designed with the cooperation of form printers and underwriters. He said it will be submitted to Inland Marine Underwriters Assn.



Archie Slawsby

The proposed policy follows the format of the "one write" fire contract. With all typing done on the front page and forms identified by number stapled to it without their being typed on or countersigned, the face calls for information as to insured, amount, description of property, rate, premium, etc., in addition to the form number, and the balance of the policy contains general inland marine conditions common to all coverages. Forms offered with the proposed policy are jewelry and furs, golfers' equipment, camera, fine arts, bicycle, mobile agricultural equipment, live stock, neon signs, wedding presents, transportation, physicians' and surgeons' equipment, horse and wagon, silverware and stamp and coin collection floaters.

### Agents Don't Write Policies

Mr. Slawsby said that between 80% and 90% of agents do not write their own inland marine policies but use application forms which are sent to company offices. He said that filling out these applications is more expensive and less efficient than issuance by agents of policies in the proposed form would be. M. J. Hartson, Jr., New Orleans, property insurance committee chairman, who introduced Mr. Slawsby, praised his work highly.

## Water's Fine in Fidelity and Surety Pool, David Porter Assures Agents

CLEVELAND—Because some agents have superstitions about methods and probabilities of securing fidelity and surety bond business, they veer away from active participation in bond production, David Porter, educational director of Surety Assn. of America, told the workshop at the N.A.I.A. convention here.

Superstition No. 1 he said, is: "The prospects of securing F. & S. bond business are slight because the rate manual is too complex and involved."

Yet agents have a number of rate manuals that quote premiums for other classes of business. The volume written in fire, marine, burglary, etc., refutes the objection of those who say the bond manual is too involved. Hundreds of agents find no insuperable difficulty in writing business with the present fidelity, forgery and surety rate manual. Anyway, the proposed abbreviated manual certainly will give the coup de grace to whatever remains of this superstition.

Not for Experts Only

### Not for Experts Only

However, there is also the belief that the bond business is for experts only, who specialize in it. That is erroneous. There are plenty of prospects in every size community—lawyer, business man, contractor, architect, home owner, industrialist; every fiduciary entrusted with the administration of an estate; everyone involved in a court action. At one time or another, every adult in the agent's community needs the agent's

(CONTINUED ON PAGE 40)

## Walter Bennett Is Eulogized on Retirement

Walter H. Bennett was warmly saluted by a distinguished group of agency leaders including 13 past-presidents of N.A.I.A., at a banquet at Cleveland Sunday, signaling his forthcoming retirement as counsel of National Assn. of Insurance Agents. The banquet was preceded by a reception. There was lacking on this occasion a feeling of finality or separation because Mr. Bennett is staying on to write a history of N.A.I.A., and hence he will continue to be a familiar figure in the organization.

Melvin J. Miller of Fort Worth, as immediate past-president, opened the proceedings and turned the gavel over to John C. Stott of Norwich, N. Y., a past-president who gave the principal eulogy of Mr. Bennett. He mentioned that Mr. Bennett had served under every living past-president except one. A few words of appreciation were also spoken by J. F. Van Vechten of Akron, who is the current president of N.A.I.A. and by Allan I. Wolff of Chicago, a prominent past-president. Commissioner Cheek of North Carolina and Mrs. Cheek were introduced, and Superintendent Robinson of Ohio and C. F. J. Harrington, executive vice-president of National Assn. of Casualty & Surety Agents. Mr. Stott presented Mr. Bennett a plaque and a check for \$1,000 on behalf of the association.

Mr. Bennett gave an interesting behind-the-scenes account of how he happened to make his connection with N.A.I.A. in the first place. He recalled that in his younger days he was active in politics in Illinois and was a Democrat. When the Democratic state ticket was being made up in Illinois in 1912 with Judge Dunne for governor, Mr. Bennett said he was approached to go on as candidate for attorney-general. He said that all of the rest of the candidates were Catholics and he was wanted he declared to give some Protestant representation. Mr. Bennett said he regarded the chances as forlorn and he didn't want to spare the time and incur the expense of campaigning.

(CONTINUED ON PAGE 40)



N. E. Olson, Minneapolis; J. G. McGarraugh, Omaha; Robert Hill of Home at Columbus; Fred Dickerson, Cleveland manager of Home; L. V. Grady, vice-president of Home Indemnity; Robert M. Byrne, Omaha, and R. H. Monds, secretary of Home, at Home's spectacular El Gaucho headquarters in Cleveland.





Eugene Har-  
Johnson of  
C. Jones of  
senior pas-  
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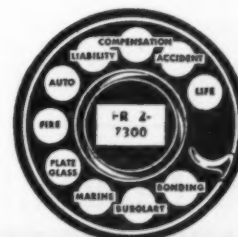
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# Urge More Agents to Sell More Bonding Business

## Abbreviated Manual for Their Use Will Help, Cormack Says

CLEVELAND — Though there is much yet to be done, the "supplementary simplified bond manual" for use by agents in the field is now emerging—J. Kenneth Cormack, Providence, told the N.A.I.A. workshop session. It will, he thinks, answer a long felt agent need and will tend to promote a keener interest in fidelity and surety bond production by agents.

Those working on the supplementary manual have run into agents who shrug their shoulders, admit they handle little bond business, if any at all; that it has always been that way, so why change it. They ask why attach such importance to the situation? They represent a large proportion of agents to whom the agents manual committee is directly appealing for support of the project. Their full cooperation is needed if it is to be successful. It's high time for the average agent to interest himself and become reasonably active in the bonding business, he declared.

If agents can be alerted to their own hitherto untouched opportunities in fidelity and surety, the ultimate result will be healthier agencies exhibiting a well-rounded, all-line type of portfolio, better relations with companies, more attractive loss ratios and incidentally, more commissions.

### "The Bonding Companies"

Of approximately 500 stock insurers writing casualty business, in 1951 \$2.5 billion as against fidelity premiums of \$56.5 million, 17 accounted for \$44 mil-

lion, or 78% of all fidelity written. Total surety premiums in 1951 were \$110 million and these same 17 companies took care of \$62 million or more than 56% of the total. However, the ratio of surety business controlled by this small group was probably a great deal higher since by the nature of the business much reinsurance and co-surety must be obtained.

This small group comprises the so-called bonding companies. They control the business through their large service organizations and bond specialists in branch offices. The business naturally gravitates to them through those agents who have become specialists in the bonding business.

The rest of the casualty companies, of which 207 are actively writing bonds, must be satisfied with crumbs from the table and an occasional line of reinsurance and co-surety offered on jumbo bonds by larger originating companies. Obviously there is no balance in this picture.

### Insurers Can't, Agents Can

Why is it, however, that the bond production of the majority of companies is so relatively small? They do not maintain the specialized service that the bonding companies offer. Their field force, on the average, is woefully weak on bonds and of little value, if any, to an uninformed agent attempting to handle one. The result is that agents representing these companies are not for the most part actively engaged in bond production.

On the other hand, the bonding companies are bustling around attending to the needs of their specialists—the bond producing agents, and have little time, and understandably show little inclination, to promote production from



Roy L. Davis, Chicago, western representative of Assn. of Casualty & Surety Companies, at Cleveland with Mrs. W. H. Levering and Mr. Levering of the Levering & Whitbeck agency, Cleveland, chairman of the host committee at Cleveland convention, and Levering Cartwright, executive editor of THE NATIONAL UNDERWRITER.

those agents who have little or no knowledge of bonds.

Yet this is a good time to promote bonding business. Agents are having trouble finding a market for automobile and other casualty business. Companies frown on it and look for collateral premiums with more attractive loss ratios. Consequently the agent who can offer his insurers a full line, including a volume of fidelity, surety and burglary, is far better off now and in the future.

### No Expert Required on Much

Certain unusual situations do occur in the bonding business which are beyond the province of many experienced bonding agents who, of necessity, call on the expert for advice and assistance. Happily, however, many classes of bonds can and should be easily handled as an everyday part of our business and it's high time for the average agent to do just this. The simplified manual can be of tremendous aid.

To those who do not now write bonds he suggested they require the simplified manual be made available and become familiar with its contents.

The set-up of the abbreviated manual with its underwriting and handling tips, together with the elimination of material not generally useful to the average agent, but heretofore a probable cause for confusion and lack of understanding, can at long last point the way for him to write his share of the bonding business. The goal is to banish from the minds of many agents the old bogey fostered over the years that bond business is too technical and complicated. This has been brought about by their frustrated attempts to digest and understand the complexities of the complete manual, which is a splendid instrument in the hands of the expert. The simplified manual will be found to be less complicated than many other commonly used manuals, automobile, public liability and fire.

### Ask Investigation of Private Insurers' Place in Crop Field

CLEVELAND—At the opening session of the N.A.I.A. national board of state directors, the subject of crop insurance was tackled and the executive committee was instructed to discuss with Insurance Executives Assn. the possibility of insurance companies writing it by themselves or reinsuring it with the federal government.

After M. G. Herndon, Washington representative, had touched on the subject in his report, Robert Maxwell, Texarkana, Ark., national executive committee member, gave a detail description

of Federal Crop Insurance Corp.'s activities and said that in all probability that will be expanded each year. He pointed out that the law authorizes reinsurance of business written by private companies and said that N.A.I.A. ought to take a position on a matter which affects thousands of insured.

After some discussion, with several suggestions that the matter be referred to the property insurance committee, C. A. Dawson, Fargo, described FCIC operations in North Dakota and said agents should not let the business go by default, without exploring the possibility of private insurance. He urged the same treatment as N.A.I.A. gave flood insurance and his motion to instruct the executive committee to proceed accordingly carried unanimously.

### How Small Local Board Can Make PR Record Is Explained by Hoyt Whitney

The public relations activities of the Delaware County (O.) local board were outlined at the N.A.I.A. rural and small lines agents conference by Hoyt Whitney of Sunbury, O. The Delaware County association has made a notable public relations record. This is a county of 30,000 population, and Mr. Whitney has his agency in a town of 960 population.

The agents have managed to gain a good deal of prestige by conducting a series of monthly meetings to which they invite other organizations in the county. They have had the automobile dealers as guests, as well as the bankers, the school superintendents, the highway patrol, county judges and justices, etc., and at each meeting there is a speaker whose topic is in the field the guests represent.

Each year the association sponsors an essay contest in every public and private school in the county. The prize-winning student in each school gets a trophy for his school, plus small cash prizes. Mr. Whitney said that at the banquet for the winners which is held during Fire Prevention Week, the sponsoring teachers and the superintendent of schools attend as well as the prize winners. This meeting is the high point of the fire prevention effort, and the essay contest is a well established event of the year with "tremendous competition."

The agents, Mr. Whitney said, have taken films of most of the meetings and edited them, and the movies have been shown in schools, churches and civic meetings. Many of the Ohio local boards have had a look at the Delaware county pictures.

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## MULTIPERIL SESSION ATTRACTS 800

(CONTINUED FROM PAGE 29)

covers casualty coverages that are being developed for attachment to the fire policy, such as the household theft and glass endorsements, and now the comprehensive personal liability.

Speaking for the casualty business only, Mr. Twaits said, the bureau wants to exercise the utmost care with respect to combinations of coverages. It does not want to bring out something that won't work after it gets in the hands of the agents. The bureau favors cooperation with other rating bureaus where insurance lines cross. This, it believes, is essential because the fire people moving into the unfamiliar casualty field are apt to make mistakes, and vice versa. In the new field the rates might seem redundant when they are not.

Putting insurances in one pack in itself does not justify a rate reduction, Mr. Twaits said. The bureau is looking closely at over-all discounts on packages. It wants to stick close to the statistics and past experience. Certainly there is no present redundancy in casualty rates. The administration element currently is about 10%. On this perhaps it would be possible to save one to three points. The production element in burglary is 30%. Some may feel there should be a reduction in this where it is packaged. Studies show that the present 16 2/3% for three year term is much too high. The actual saving is much closer to 10%, he said.

### Marine Definition Question

If there is an orderly development in packages, Mr. Wayne sees no conflict ahead with the marine definition; if it is disorganized, the definition will be useless.

The greatest difficulty with multiple peril is that the rates are regulated, Mr. Cheek said. If they were not, the inland marine people would have taken care of the situation long ago.

The interest of supervisors is in being sure they can tell the public that the rates for these packages are correct. The business has to have some sort of adequate and credible experience. It must set up a statistical plan, geared to something definite and standardized in way of coverage for a period of time.

He said he was glad to see agents calling for a standard. There is too much competition in the picture. All, but agents especially, should check developments against the approach. How can these packages better serve clients. Companies are interested in the effect on themselves competitively. If packages are left to insurers to develop they will keep considerably to the discussion stage and there will be a lot of trouble. Not only companies—bureaus also complete, he said.

The agents can decide how far and how fast multiple peril is to develop, and how good for the public such packages are. Then there will be progress. He urged agents to let the companies know what they want and how they want it. He indicated the commissioners

would like to see a proposal on M.P. from agents, one that includes a method of accumulating experience so commissioners can justify the cover to the public.

### Perlet Gives Views

The principal function of his organization, which is advisory, is to aid cooperation between existing rate bureaus, Mr. Perlet said. Its philosophy

is that the business shouldn't get into a rate war; companies ought not to be able to cross bureau lines easily in order to get temporary competitive advantages. He believes in named peril, divisible or semi-divisible premium. All risk is something of a siren. It is not in the interests of the business to give all and start taking back coverages. In the new package field, unless insurers make a little money, agents aren't going to.

He doesn't believe packaging per se reduces cost. Perhaps the expense part of the premium dollar can be reduced with packaging and his or-

ganization is doing some research to see if this is possible. On the loss side the insurer doesn't save simply by spreading the risk. After all, it may discover that it already has been writing the best in the group and that new insured or perils produce higher losses. He noted that extended coverage rates have been going up.

In a sense the package compels the public to carry more insurance, and opposition is apt to develop; if insured has a choice, at least by groups of coverages, the market will be preserved. Because a relatively small portion of insurance will be on the package plan,

## PLAIN TALK

about

## THE AUTOMOBILE SITUATION

As experience in automobile lines worsens, relief is sought through rate increases. This is not the whole answer to the problem. High rates are a threat to the Agents and Companies. High rates often result in an adverse selection of risks by driving the better customers to buy cheaper insurance, and invite criticism of every cost factor in the rate structure—including commissions.

Good agents know this and are working with their companies to combat the problem. They are doing it by:

1. The careful selection of the individual risk to the end that the lowest possible rates may be maintained.
2. By "selling all lines," not only to give the client the best possible professional type service, but also to give the companies the benefit of diversification and spread of risk.

The Western is eager to serve good agents of this kind.

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Robert O. Young, Cleveland manager of North America, with Tom Neff of Wheeling, W. Va., and C. F. Littlepage, assistant vice-president of North America, at N.A.I.A. convention.

10 to 15%, perhaps, new statistics thus developed will not be enough to stand. The business must preserve its historic experience and traditional statistical lines.

Multiple line is too big a development to be used simply to secure temporary advantage, Mr. McCullough said, there should be a measure of uniformity. No one wants to create a situation in which the agent must keep track of 57 policies.

But securing uniformity by the conference, committee method takes a lot of time and mutuals and direct writers will run away with the ball. M.P.I.R.O. wants to test out the package idea, it hopes its forms become prototypes but has an open mind on changes.

None can say the divisible premium approach is the only way to do it. All risk may be all right for homeowners; in commercial lines where needs differ widely the schedule approach may be the thing. M.P.I.R.O. believes it has a policy that will sell and is guided by companies that are not going to make big mistakes.

#### No Action on Commissions

In response to a question, he said his bureau has taken no action on commission rates. That is up to companies and agents individually. No part of the premium has been allocated to commission. He said he thought it is dollars that pay the agent's rent. If he has a form that develops more premiums by selling burglary and CPL to those not now buying it, his commissions increase. On a package, he thinks, there has to be some relation between the commission and what is presently paid on its components.

Will companies writing some other package and now also committed to the homeowners give up the other? He noted that in two instances, the other policies or endorsements are building only coverage.

Mr. Perlet said he didn't think flood and rising water cover would come. That if it is included in a general form, those not subject to the peril will be attracted to a policy that doesn't include it.

New York State Assn. of Insurance Agents was host at a cocktail party Monday evening at the Cleveland N.A.I.A. convention.

## Eight Awarded Presidential Citations



J. L. Ashton



R. E. Battles



M. J. Miller



T. K. Robinson

For bringing prestige and credit to the American agency system during the past year through eminent accomplishments in their business, civic or personal life, presidential citations were awarded by President J. F. Van Vechten at the opening session of the N.A.I.A. meeting at Cleveland to J. L. Ashton, Milwaukee, past president of Wisconsin Assn. of Insurance Agents; Robert E. Battles, Los Angeles, president California Assn. of Insurance Agents; Arthur B. Fair, Natick, Mass., state national director Massachusetts Assn. of Insurance

Agents and chairman of the N.A.I.A. legislation committee; Ralph W. Howe, Richmond, co-chairman of the N.A.I.A. comprehensive war projects rating plans committee.

Also to Emil L. Lederer, Chicago, chairman of the metropolitan and large lines agents committee; Melvin J. Miller, Fort Worth, immediate past president of N.A.I.A.; T. K. Robinson, Memphis, chairman of the N.A.I.A. practices committee, and William E. Webb, Jr., Statesville, N. C., president of North Carolina Assn. of Insurance Agents.

## Carleton Fisher Woodworth Winner

Carleton I. Fisher of Providence was announced at the Cleveland N.A.I.A. convention as 1952 winner of the Woodworth memorial trophy for the most outstanding service to the agency system.

The New Jersey association won the Harold S. Bowen award of Ohio for promoting public understanding of insurance, this being in recognition of its campaign to secure a modern financial responsibility law as an offset to the effort to put over compulsory insurance.

The California mileage cup went to Texas; the Des Moines attendance cup to Michigan; Connecticut membership trophy to Georgia; highway safety contest, Indiana; Sparlin cup, California.

## Sheboygan Board Elects

William Gottsacker has been elected president of Sheboygan (Wis.) Board succeeding R. E. Clarenbach, who was named vice-president. Adolph Bauman, Sheboygan Insurance Agency, was re-elected secretary.

## New Oakland Officers

Oakland (Cal.) Assn. of Insurance Agents at the September meeting elected E. C. Smith, Jr. president to succeed Donald Doyle, who was presented an inscribed wristwatch. New executive committee members are Harry R. Schroeter, Jr.; W. Elwyn Dunstan, and Paul Higgins. Mr. Higgins was elected by the executive committee as secretary-treasurer.

## D. C. Fire Prevention Plans

WASHINGTON — District of Columbia Assn. of Insurance Agents is co-sponsoring a firefighting demonstration as part of Fire Prevention Week with the D.C. fire department and Union Chamber of Commerce, Oct. 11, at 15th street and Treasury place.

W. M. Krieger, vice-president of Home, will stay on in Cleveland after the N.A.I.A. gathering for a reunion of his two brothers with their mother. H. L. Krieger, one of the brothers, is assistant manager of Ohio Inspection Bureau.

Henry T. Ferris, St. Louis attorney, spoke on "Insuring Contract Situations" at a luncheon meeting of the St. Louis Insured Members Conference Tuesday.



Harry Minister of Columbus, treasurer of N.A.I.A., and Walter Robinson, Ohio insurance superintendent, hold a grim chat during N.A.I.A. convention at Cleveland.

## Stein Elected as New Utah President

### State Offers to Be Guinea Pig for New Broad Form Dwelling Policy

SALT LAKE CITY — J. Edwin Stein of Provo was elected president of Utah Assn. of Insurance Agents at its annual meeting here, succeeding Arnold E. Burgener of Salt Lake City. Mr. Stein also was elected as president in 1950.

Other officers are: Vice-president, Fred Foerster, Jr., Ogden; secretary-treasurer, L. A. North, Salt Lake; state national director, Ralph D. Callister, Salt Lake. New executive committee members are Harold Dance, Logan; Charles Eubank, Ogden; Hugh Ford, Ogden; George R. McClure, Salt Lake, and Mr. Burgener. All were sworn in by Governor J. Bracken Lee at the dinner dance, attended by 450. There were 212 registered.

Fifteen resolutions were approved. One urged adoption of the new proposed broad form dwelling house fire policy for Utah. Utah offered to be the guinea pig of the west to sell, promote



A. E. Burgener



J. Edwin Stein



R. D. Callister

and educate the public concerning this form. Another resolution commended the advisory committee of Pacific Board for its cooperation and action taken on forms, rates and contract changes the past year. Still another resolution declared war on unqualified agents and urged the discontinuance of promiscuous licensing in Utah.

The principal talks were: "The Need for Agent-Company Unity," Douglas H. Smith, executive vice-president Utah Home Fire; "The Modern Dictator," Paul A. Hamel, Nevada commissioner; "The Case Against Utah's New Safety Responsibility Law," Paul C. Keller, attorney Utah public safety department. An agent-company panel, "Production account underwriting and collections" was a feature.

## Ohio Security Entertains

J. B. Connaughton, president of Ohio Security, Hamilton, was at his company's headquarters at the N.A.I.A. convention with G. C. Hicks, vice-president; F. J. Janco, assistant secretary, and H. J. Dingledein, assistant treasurer.

## Ky. Mutual Agents Elect

Milburn Stone, Louisville, was elected president of Kentucky Assn. of Mutual Insurance Agents at its annual meeting at Louisville.

Other officers elected were: Secretary, James P. Bulluck, Louisville; 1st vice-president, B. B. Stone, Stamping Ground; 2d vice-president, L. L. Warren, Louisville, and 3d vice-president, H. D. Holt, Sturgis.

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## Wade Martin, N.A.I.C. Head, Featured at N.A.I.A.

CLEVELAND—A multipoint program by which the agent can better discharge his responsibilities was outlined for N.A.I.A. members at the annual convention here by Commissioner Wade O. Martin, Jr., of Louisiana, president National Assn. of Insurance Commissioners in the feature talk of the convention.

The sale of the policy is not the end but the beginning of the transaction. For example, he noted that when the government goes into insurance, there is little room for the agent. The agent is dealing daily with the insuring public and should try to anticipate their needs not only for existing coverages but for new coverages, make these coverages known to the insurers, encourage them to write and experiment.

He urged liaison committees between agent associations and state insurance departments. For closer cooperation, continue representation at N.A.I.C. meetings, he advised. Establish committee to work with legislative groups, state and national, to promote favorable and oppose unfavorable insurance legislation.

Do everything possible in the way of public relations, sponsor agents' qualifications laws and other legislation whose purpose is to raise the standards and enhance the prestige of the business.

### Opposes Full Time Condition

He advised agents not to insist on limiting licenses to full time agents because it is impossible to enforce and hence not in the public interest. Agents can spend their time better than on such efforts. An attorney must be qualified but he cannot be made to practice law full time to retain his license.

The only way to head off federal regulation is for state officials to regulate the business so well there is no justification for national intervention. The commissioners need the help of agents to do this.

The idea of insurance has been well sold; it is now a matter of determining the client's needs, seeing that the insurance remains in effect to avoid the ill will lapses engender, and serving as intermediary between policyholder and company, Mr. Martin said.

### Kansas Program Given

The program has been completed for the convention of Kansas Assn. of Insurance Agents at Topeka, Oct. 14-16. On Oct. 14 will be the dinner meeting of the executive committee. The general session gets started at a luncheon Oct. 15, the speaker being Joseph F. Leopold of Dallas, National Tax Equality Assn. That afternoon following the preliminaries there will be a general insurance panel with Robert S. Charlton as coordinator, the members being

Harry W. Hoffman of Phoenix Indemnity; George E. Erickson, New Hampshire Fire; L. A. McGill, Kansas Inspection Bureau; Walter W. Rowse, Western Adjustment; John F. Reilly, Royal-Liverpool; R. R. Brown, fire actuary; R. L. Jewell, casualty actuary, Kansas insurance department, and M. K. Ramsey, Fidelity & Deposit, Kansas City. That evening there will be a past-presidents' dinner and then a buffet for the others.

### Farm Agents' Breakfast

Next morning there will be a farm agents' breakfast with Alex M. Case presiding and John G. McFarland, western manager of American, and president of Farm Underwriters Assn., giving the address.

At the regular session that morning Howard N. Fullington will report as president, and Kenneth Ross as state national director, and then the committee chairmen will be heard from. J. A. Neumann of Jamaica, L. I., member of N.A.I.A. executive committee, will give an address. That afternoon talks will be made by Commissioner Sullivan of Kansas; by James R. Gregory of Rough Notes Co., and that evening there will be the reception and dinner.

## Paul Revere Trophy to E. B. Berkeley

Recipient of the Paul Revere trophy for outstanding service at the Cleveland convention of Ohio Assn. of Insurance Agents was E. B. Berkeley of Cleveland. Certificates of merit were presented to C. C. Owens of Akron; T. W. Earls, Cincinnati; E. E. Evans, Henry Frankel, both of Cleveland; J. R. Jacob and Robert Corrigan, Canton.



E. B. Berkeley

Loren H. Laughlin, director of insurance of Nebraska, who is taking his first vacation in several years, spent several days at San Francisco visiting executives of California companies and held conferences with Commissioner Maloney of California. He is returning by way of Los Angeles and will visit Hoover Dam and other famous scenic places en route.

At the annual meeting of the Fire Insurance Rating Org. of New Jersey, the following companies were elected members of the governing committee: American, American Equitable, Fire Association, and Fireman's Fund.

The Cincinnati delegation before the dinner, headed by Arthur M. O'Connell, president Cincinnati Fire Underwriters Assn. and outgoing president of the Ohio operation of the Aloysius V. Widmann Schaefer, secretary Cincinnati Board, had a reception Wednesday.



New York contingent at Cleveland: David McFalls, Russell Edgett and Al Mezey of New York City, and Joseph A. Neumann, Jamaica, L. I.

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Security with Service  
**BITUMINOUS CASUALTY  
CORPORATION**



# WALTER SHELDON IS NOW AT HELM FOR N.A.I.A.

(CONTINUED FROM PAGE 29)

sentiment generally, though much of the disapproval heard at Cleveland was voiced informally.

David McKown of Oklahoma City and Kenneth Ross of Arkansas City discussed the noxious influence of the program of the organized plaintiffs attorneys, Walter Sheldon told the state directors this subject will be discussed at White Sulphur with the casualty agents and companies.

## Asks Cooperation with N.A.I.C.

E. J. Seymour of Monroe, La., reported on the meeting of National Assn. of Insurance Commissioners at the state directors Tuesday afternoon. He urged complete cooperation with the supervising authorities and said that a united front of agents and companies is most effective. There was much interest in Mr. Seymour's report, not only for its subject, but also because of his status as prospective vice-president, and he made an imposing presentation.

The touchy issue of whether N.A.I.A. should take any action on commissions got a very light treatment at the state directors meeting Tuesday afternoon. President Van Vechten said that last year membership voted that the committee on commissions should continue its study of this problem. The resolution voted at the mid-year meeting at Denver, Mr. Van Vechten said, was exactly the same. This is the action to which the Washington, Oregon and Rhode Island associations have objected and declared not binding on their members. George W. Carter, Detroit, also made quite a point of opposition in his talk at the mid-west territorial conference Monday morning. Mr. Van Vechten said that constitutionally the matter should not have been referred to the board. He took the responsibility for doing this and said he is glad he did, because there is nothing to hide and the better every N.A.I.A. position is known, the fewer misunderstandings there will be.

The recommendation in the report of J. J. O'Toole, St. Louis, chairman fire safety committee, that N.A.I.A. promote school inspections was approved after some discussion over possible embarrassment of school boards facing a financial problem in bringing their properties up to standard.

L. S. Kidd, Brazil, Ind., was appointed chairman of the steering committee for next year, with A. B. Fair, Natick, Mass., and P. S. Sackett, Albuquerque, as the other members. If any member is unable to serve his state association will fill the vacancy.

## Amendments Are Adopted

The N.A.I.A. constitutional amendments were adopted at the opening session Monday at Cleveland. These increase from seven to eight the number of executive committee members, and from two to three the number elected from State National Director ranks. Members will now serve three years, starting off on a staggered basis.

Carleton Fisher of Rhode Island noted some weaknesses in the proposal; that when elected to the executive committee undoubtedly the state national director would shortly cease to be that in his home state. He suggested perfecting the amendment and waiting till next year since there is no emergency.

T. K. Robinson of Memphis supported immediate action; Kenneth Nehring of Tucson opposed; John H. Carney, Eau Claire, Wis., supported. The proposal won 1,865 to 774 with a two-thirds vote needed to pass.

Members squeezed some humor out of a dry subject. Montana moved its delegation be polled. No one was on hand to vote Ohio's 167 votes because that group was holding its annual convention. Puerto Rico with two votes declined to vote "at this time."

At the opening meeting of the national board of state directors Monday evening, the N.A.I.A. practices committee,

of which Mr. Robinson is chairman, was continued for another year to work out an amendment to permit executive committeemen to serve also as state national directors.

## Surety Selection Issue

The portion of the fidelity and surety committee report criticizing principals for requiring that bonds needed in connection with construction contracts be placed with certain sureties was discussed at the opening state directors session, but eventually was held over until the next day.

Maurice Herndon, Washington representative, gave his report at this session. He said that the tax status of local boards has been the subject of a Treasury Department memorandum and that there are no recent developments in the mutual tax picture. As far as the Washington office knows the proposal for a stamp commemorating the 200th anniversary of mutual insurance is dead and 1932 is nearing its close, but the office is still asked about it. There is nothing new in the proposed federal investigation of tie-in sales, but N.A.I.A. is closely watching the proposal for an investigation of increased insurance rates. Mr. Herndon said any such move needs careful watching, as investigations, no matter how well-intentioned, can run wild and get into all sorts of extraneous matters.

## W. H. Bennett Gives Views

W. H. Bennett, New York, about to retire as counsel, described the present social security picture. He said a bill to remove the present compulsory status of self-employed people and make their participation voluntary will probably be introduced next winter. But no one can predict its chances. Mr. Bennett, who played a major role in getting agents classed as independent contractors in the early days of social security, got a big hand and his quips drew many laughs.

J. A. Neumann, Jamaica, N. Y., reported on the automobile insurance situation. He is N.A.I.A. representative on the all-industry committee. The national association, Mr. Neumann said, has taken a position firmly opposed to compulsory insurance and advocates in common with most insurance interests, safety-responsibility legislation, driver training, highway engineering and traffic law enforcement.

## Educational Division Report

At the Tuesday morning workshop session, E. F. Young, Charlotte, reported as chairman of the N.A.I.A. educational division. J. O. Whelchel, Tulsa, said all correspondence courses get careful planning and testing before final release. The biggest problem is keeping course material up to date. L. Allen Beck, Denver, outlined details of a new course on customer account analysis.

E. A. Toale was designated educational director to replace C. R. Rauter. Secretaries from state and local boards participated in a breakfast conference prior to this workshop. The conference

was hosted by the educational division.

J. K. Cormack, Providence, chairman of N.A.I.A. fidelity and surety committee, who was scheduled to discuss a simplified bond manual at the Tuesday workshop session, was compelled to leave Cleveland Sunday evening because of the death of Mrs. Cormack's father. David Porter, New York, educational director, Surety Assn. of American, read Mr. Cormack's talk.

## Tribute to Van Vechten

Holding the meeting at Cleveland, close to President Van Vechten's home city of Akron, was a fitting tribute to his accomplishments and in a sense symbolized the changed relation of Ohio to N.A.I.A. When Mr. Van Vechten became president of Ohio Assn. of Insurance Agents, the organization was in the period of secession, following a series of unfortunate developments, in which he had had no personal part. He led the Ohio agents back to the national fold and veteran observers at Cleveland were full of reminiscences of the 1944 meeting at Milwaukee and the ovation Mr. Van Vechten received when he took his seat as Ohio's first state national director. Since then, Ohio has become such a potent factor in N.A.I.A. that the present generation of insurance men scarcely realize the old situation. Not only did Mr. Van Vechten rise to the top, but other Ohio men have played prominent roles in the national association. Among others Harry Minister of Columbus is chairman of the important finance committee and Arthur M. O'Connell of Cincinnati served two terms as chairman of the property insurance committee when the "one write" policy and A.E.C. endorsement were developed.

Mr. Sheldon, the new president, is executive vice-president of W. A. Alexander & Co., Chicago. He was born Oct. 14, 1892, at Evanston, Ill., and received his education in the public schools of Hinsdale. He was a special agent in southern Illinois for Fireman's Fund from 1910 to 1919, except for a period in service during the first war. He joined W. A. Alexander & Co. in 1919 as a special agent in Cook County. He subsequently took over managing duties in fire, auto, burglary and glass departments. His election to his present position with W. A. Alexander & Co. occurred in 1948. He had been a vice-president since 1934. Mr. Sheldon is a past president of Chicago Board.

## Councilor with Burns

H. A. Councilor has joined American Agency Management Bureau, set up in Washington by Robert Burns of the agency of the same name, to aid agents with their management problems. Floyd Lashmit is manager of the bureau and Mr. Councilor will work mostly in the field.

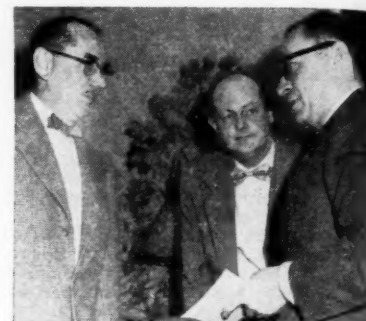
The bureau has developed complete accounting forms to provide short cuts in agency processing, and is advising agents on a complete management program.

## Heick in Pa. for Springfield

The Springfield group has appointed William L. Heick special agent in charge of casualty and bond operations for New England Ins. Co. in eastern Pennsylvania with headquarters at Reading. He succeeds Thomas P. Fris-tik, Jr., who has resigned. He has six years of underwriting experience in the casualty field, including more than a year in the burglary and bond department at New York for the Springfield Group.

## MACK & PARKER OPEN HOUSE

The Mack & Parker agency at Chicago held an open house in its new and larger quarters at 209 South La Salle street. The affair attracted a sizable gathering, including several company executives.



Robert Preston of Providence, and James Matthews and John F. Neville of the N.A.I.A. headquarters staff, at Cleveland.

## Actuaries Program Oct. 6

Conference of Actuaries in Public Practice will hold its annual meeting at the LaSalle Hotel, Chicago.

The discussions will be based on articles contained in the forthcoming volume of the proceedings. These include Funding Methods for Self-Insured Pensions, by H. L. Seal; Federal and State Regulations of Pensions, F. E. Gerry; Workmen's Compensation Rate Regulation, E. I. Evans; Funding Practices, Labor Negotiated Pensions, W. A. Weiss; Probability Distributions, Life Annuity Reserves, R. H. Taylor. There will be a dinner and speaker.

## Can't Deny Liability

The Minnesota attorney general's department has ruled that the principals and sureties of bonds furnished under the liquor license law may not deny their liability on the ground that a member of the council is a director of the bank which has acted as agent in furnishing these bonds.

## Seek F.R. Law in S. D.

Enactment by the 1933 South Dakota legislature of a driver's license law and a motorists' financial responsibility act has been recommended by the state legislative council's highway committee. The committee also recommended a number of other highway safety measures.

## Heads Veterans of Safety

Burton A. French, manager of the loss prevention department of Marsh & McLennan at Minneapolis, has been elected chairman of the Twin Cities chapter of Veterans of Safety which he founded last year. Mr. French has been active in Minnesota public and private safety for more than 30 years. He started, and was first president of the Northwest chapter of American Society of Safety Engineers. He is also active as trustee and treasurer of the Greater Minneapolis Safety Council.

Dallas George, formerly manager at Greensburg, Pa., for Pennsylvania Life Health & Accident, has now become manager at Somerset, Pa.

Howard W. Legg has purchased the Surrock agency at Baltimore and will operate it in conjunction with Mutual Insurance Underwriters. He is a C.P.C.U.



R. H. Ashton of Milwaukee and John Carney of Eau Claire in middle at Cleveland.



Scene at N.A.I.A. registration desk at Cleveland Hotel.



# Greetings

## To the National Association of Insurance Agents on its 56th Anniversary

AGENTS, in recognition of their obligation to the public, stand for and firmly advocate the principles of the American Agency System and the sale of sound capital Stock company indemnity. Only through upholding these highest principles of insurance will they enjoy greater prestige and security for capital Stock insurance.

THE WESTERN MANAGERS whose names appear on this page believe in and endorse the principles of the American Agency System and represent companies that, of course, offer only sound capital Stock insurance protection. Through their close contact with agents they offer their facilities and services in the proper conduct of the business, and through this medium send greetings to the National Association of Insurance Agents.

**Rush W. Carter**  
*Vice President*  
AETNA INSURANCE GROUP  
CHICAGO, ILLINOIS

**Paul H. Barr**  
*Vice President*  
THE HANOVER FIRE INSURANCE CO.  
FULTON FIRE INSURANCE CO.  
CHICAGO, ILLINOIS

**E. H. Forkel**  
*Vice President*  
NATIONAL OF HARTFORD GROUP  
CHICAGO, ILLINOIS

**E. A. Henne**  
*Vice President*  
AMERICA FORE INSURANCE GROUP  
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**C. H. Smith**  
*Manager*  
HARTFORD FIRE INSURANCE CO.  
CITIZENS INS. CO. OF N. J.  
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*Manager Illinois Department*  
THE LONDON ASSURANCE  
THE MANHATTAN FIRE & MARINE  
INS. CO.  
CHICAGO, ILLINOIS

**C. E. Hoopes**  
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THE EMPLOYER'S GROUP  
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CHICAGO, ILLINOIS

**W. A. Seely**  
*CRUM & FORSTER*  
FREEPORT, ILLINOIS  
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## Porter Urges Greater Bond Production

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services as a bond agent. He doesn't have to be a specialist to supply those needs. He has the product they require, the means of providing it, and the intelligence to supply it.

The bond business is a side line at best because the premium volume is so small, is another superstition. Here all that is needed is an adding machine. If the agent got into bond production seriously, not necessarily to the detriment of other lines but as an effective companion effort in the production program, he would find out how sizable a line it is. There are some small bonds, license and permit, or miscellaneous bonds. But these smaller commissions add up, and often lead to other bonds. Fiduciary and court bonds, for example, can be very profitably handled.

Probate and court bonds pay off far beyond the commission, not only because of the volume through more or less automatic renewals, but because they lead to other lines, particularly on the property of estates thus bonded. The bond business provides many valuable entrees.

### Good Time to Do It

Because of the current temporary difficulties in casualty, this is an excellent time to get into the broader bond field, he said.

All potential customers are already in the hands of other agents, is another superstition. How can this be so when the need of bonds by the thousands of persons hasn't even arisen? It would be just as absurd to state that there is no point in staying in the fire business because all available homes are insured and many of them by other agents. More homes are being built, there are more exposures to be covered, and present homes are under insured.

The need of the bond is what determines the production of bond business. The agent doesn't have to take it from the books of some other agency because most of the business he will get doesn't exist as of now. The potential customer may not need a bond today, but will tomorrow or next week. He is named executor or administrator, has an appeal or a counter replevin, or decides to build a house, or goes into the produce or electrical equipment or detective business and needs a license or permit bond. If he operates a commercial establishment, he needs fidelity coverage on employees.

Of course, to get bond business requires a certain amount of initiative and

perseverance. But the agent can create his own opportunities.

Agents can help educate owners of construction on the necessity of performance and payment bonds. Recently in a New Jersey community an entire housing development was sold at auction by the receiver, with a number of veterans losing every dollar they had put on the line to secure homes. Sewage disposal facilities had not been installed by the contractors, and the veterans faced eviction and loss of their down payments unless they could arrange to contribute to a \$100,000 fund for construction of sewage disposal facilities. The press was critical because the president of the development company had not been compelled to put up a performance bond. The press and the public are becoming aware of the value and necessity of contract bonds. The agents had some responsibility for this fantastic situation developing.

He urged agents to overcome their fear of getting into a line that may require time to learn the tools of a new branch of their trade, or of devoting time to production without ironclad guarantees that they will make it a success. A little confidence and a little work will produce results.

## Walter Bennett Honored at Dinner at Cleveland

(CONTINUED FROM PAGE 30)

However, of course, that was the year of the Bull Moose movement and the election of the Democrats.

Then after the election, Mr. Bennett had occasion to go to Springfield to get some jobs for some of his friends and Governor Dunne asked him what he wanted. He said he wanted nothing, he was simply speaking in behalf of others. Later, however, he was called to Springfield and asked to take an appointment as state fire marshal. Mr. Bennett said he told Governor Dunne that he was a lawyer and didn't know anything about putting out fires. The governor disabused him of that notion of what the job consisted of. He said this was an educational project, that the office had been created at the instance of C. J. Doyle, who was the associate general counsel of National Board at that time and was a power in Illinois politics, and that Mr. Doyle wanted the office to be operated in an effective way.

In this way he became acquainted with the National Board leaders and



Waldo Hildebrand, secretary of Michigan Assn. of Insurance Agents, and L. Allen Beck, Denver agency leader, at Cleveland convention.

when an executive secretary was wanted for N.A.I.A., Mr. Bennett said he was approached by C. J. Doyle and by W. E. Mallalieu, former general manager of National Board. They said they had told Fred Cox and James Case, who were leaders in N.A.I.A. looking for an executive secretary, that Mr. Bennett was their man. Mr. Bennett went to New York to see Mr. Mallalieu and the latter called Fred Buswell, who was president of Home at that time. Mr. Buswell urged Mr. Bennett to accept the position. He said that he was very much interested in having N.A.I.A. succeed. Mr. Bennett still had some misgivings but he said that he was told that if the association work didn't pan out, there would be a good position for him in the law department of the National Board. The next day he saw Mr. Cox and Mr. Case and cast his lot with the agents association.

Mr. Bennett's daughter, Eleanor B. Wensch of Montclair, N. J., and his granddaughter and her husband, Mr. and Mrs. Paul Dudley of New York, were guests.

## Polio Cover an Expensive Line, Gilmartin Says

Despite a 50% increase in the rate, Continental Casualty probably will continue to lose money on its polio insurance business, W. J. Gilmartin, polio actuary of Continental, said at the life insurance discussion group of the Hemispheric Insurance Conference in New York.

Continental began to write individual polio coverage in 1949, the year of the worst epidemic in history. This policy was sold at \$10 per family for two years, and there was a policy for an individual selling for \$5. The policy offered \$5,000 of unallocated indemnity for hospital, surgical and medical expenses.

"The public response to this policy was almost unbelievable," he said. "We were literally swamped with orders for the insurance. During 1949 we wrote over \$7 million worth of premiums."

Because the policy was offered at such a small premium, expenses had to be kept at a minimum, and it was impossible to do much underwriting. The bulk of the coverage was sold in areas where the epidemic was most serious, while practically no policies were sold where the epidemic did not exist.

### Had Adverse Selection

The company suffered from adverse selection, and at the same time hospital prices kept rising. The premium proved inadequate, and Mr. Gilmartin explained that liability extends five years from date of issue, since benefits are payable for three years after the disease is contracted. Therefore, the results for 1949 are still in doubt, but there is no question but that "we will lose money on these policies, but we cannot yet deter-

mine the amount. We hold out little hope of profiting on policies issued in 1950 and 1951, either."

Continental raised the rates to \$15 on the family policy at the end of last year, leaving the individual policy at \$5. However, hospital costs have continued to rise, and unallocated policies have been particularly sensitive to increases in cost. Additionally, the polio epidemic of 1952 may be even more severe than that of 1949.

"We have been constantly questioned about our experience on polio insurance," Mr. Gilmartin said, "with this type of comment almost always accompanying the question: 'You must be making a terrific amount of money. You charge \$10 a policy for two years, so you are getting \$5 a year; polio statistics show that about one person out of 5,000 contracts polio during a year. That means you are collecting \$25,000 in premium for every claim you receive. Even if every claim costs you \$5,000 you would still pay out only 25% of your premium in claims.'"

### Statistics Misleading

The answer to this, Mr. Gilmartin explained, is that statistics showing one out of 5,000 contracting polio are for the average population, but the average population is not buying polio insurance. The buyers of this coverage are men with families having small children. "We have at least two small children exposed under the average policy, and the incidence among these children is many times greater than on an average population."

To companies considering entering the polio insurance field, he noted that this is really a catastrophe coverage with the severity of the epidemic varying from one year to the next and from one locality to the next. Unless the company has a geographic spread of risk large enough to get the averages working for a year, "polio insurance is a dangerous gamble."

A company just entering the field also has the problem of a decrease in surplus on the first year of operations. While a two-year policy is the best because the insurance is sold in epidemic areas and as an epidemic ordinarily does not occur two years in succession in the same locality, experience in the second year can be expected to be more favorable. However, when the policy is for two years, commissions and expenses must be prepaid out of surplus.

At the end of the first year of operations, Continental, he said, was forced to draw out of surplus an amount equal to almost 50% of the premiums written.

## McFarlane Leaves Dept.

Donald E. McFarlane has resigned as assistant insurance commissioner of Oklahoma effective Oct. 1. He is forming an organization to be known as Insurers Service Assn. at Oklahoma City, which will handle investigations and adjustment of claims for companies writing life, A. & H. and hospitalization insurance.

He has been with the Oklahoma department since 1950 following his graduation from the University of Oklahoma school of law and admission to the bar in that state.

### Standards Cut Insurance Cost

D. G. Vaughan, manager of the engineering and inspection department of Aetna Casualty, spoke on how standards for safety can help reduce insurance premiums and improve industrial relations at the national standardization conference of American Standards Assn. at Chicago.

Mr. Vaughan explained the value of a widely accepted standardized code in aiding insurers to maintain and improve safety conditions in insured's place of business. Compliance with a standard code, rather than compliance with codes varying from community to community, would aid in reducing insurance costs.

Mary B. Widmann will continue the operation of the Aloysius V. Widman agency at Johnstown, Pa.



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## Eastern Group Tackles Host of Major Problems

CLEVELAND—The effect of sudden and widespread use of premium payment plans on agents' financial condition has made companies apprehensive about accounts, and they are reviewing agency balances monthly instead of quarterly, Morton V. V. White of Allentown, Pa., indicated in his report for the conference committee at the Eastern Agents' Conference of N.A.I.A. here.



M. V. V. White

Mr. White said it may take some agencies three to five years to recover from the shock of converting their business to renewal plans.

### Sounding Board for Changes

Deductibles, the catastrophe loss program, progress of additional extended coverage, developments on several forms and other topics occupied the large crowd that attended. The conference meetings have come to be excellent stagings of coming changes and progress on important matters. H. Earl Munz of Paterson, N. J., the chairman, handled the meeting. Fred W. Doremus, manager Eastern Underwriters Assn., supplemented Mr. White's report, especially on U. & O. and the AEC.

One item of discussion between the conference committee and the companion committee of E.U.A. was commissions. R. M. L. Carson of Glens Falls, a member of the agents conference group, at the last session with E.U.A. related N.A.I.A. thinking on this subject and indicated the N.A.I.A. commissions committee, of which he is head, will consider the request of Donald Bowersock, head of Boston and president of E.U.A., for conference with agents.

Meantime a special E.U.A. committee will study phases of the subject and report back to its executive committee and members, Mr. White said.

The sudden windstorm which hit

Long Island the week of June 15 has resulted in an estimated loss of \$7 to \$8 million, according to Donald Sherwood, general adjuster of National Board, Mr. White stated. The storm presented a special problem in cover on household contents, since it did considerable damage to the Levittown settlement on Long Island, where some household items are included in the mortgage applying to the property. These involve such things as TV sets and electrical appliances not ordinarily included with the sale of a home. It has been recommended by the loss adjustment committee of National Board that such items be included in dwelling house coverage. There appears to be no other course to take, Mr. White said.

The storm also demonstrated the importance of the 72-hour waiting period after a storm and before settlement of any losses, under the catastrophe program, to permit establishment of procedure and obtaining a fairly reliable price list for repairs, he said.

Mr. Sherwood, he said, has emphasized the importance of three steps to be taken at once following a catastrophe loss—zoning of the loss and use of a zone number on losses; immediate contact with press and radio for the assistance they can give, and contact with repair people as a group.

Agents still would like to have flood cover on dwelling and contents, Mr. White said.

### Change on Farm Property

The rating methods research committee of E.U.A. has recommended that the deductible rule be changed as it applies to farm property, that it be made applicable or not, to items as desired. New York has had this rule for some time.

The rating methods committee has decided to recommend no change in the rules on application of the deductible to either dwelling or contents when both are written on the same policy but one or the other is full cover. To do so would involve lengthy and drastic revisions of the E.C. The easiest and simplest way of handling the matter is to write separate contracts for



## UNITED STATES CASUALTY COMPANY

FIFTY-SEVEN YEARS OF  
CONSCIENTIOUS CO-OPERATION  
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Sitting, at North British headquarters: Deems Clifton, Clinton, N. C.; Louie Woodbury, Wilmington, N. C., and William E. Webb, Jr., Statesville, N. C.; standing, William J. Traynor and H. V. Tisdale, North British, New York, and D. R. Stamp, North British, Cleveland.

dwelling and contents, it was decided. American Bankers Assn. has indicated its members will accept the deductible on EC.

Some insurers have asked for a mandatory deductible, especially after the Long Island storm, when few losses ran over \$50. However agents have reminded companies of the public interest of offering the buyer a choice of deductible or full cover.

#### No Action on Big Deductible

The E.U.A. executive committee has deferred action on the big fire deductible, on the premise that there is far too little demand to date for the form. Two years of experience appears to disclose that less than 1% of premium volume has been written on the form; ergo, it is not too attractive to large buyers. Otherwise large, national brokerage firms would have pushed more of their accounts into it.

On the term rule and premium payment plans, Mr. White noted that some Vermont banks insist upon a five-year policy and the use of the annual renewal plans of the Vermont mutuals. The Massachusetts brokers association may go to court to have the installment rule stricken.

A special committee of Insurance Executives Assn. has been making a study of term rule eligibility and discounts. The committee is considering comments from all sections of the country. The E.U.A. thinking is that considering the far reaching effect of making a new term rule and on the premise that if a term rule is right it must be right for all kinds of insurance, E.U.A. recommends that all classes of cover be eligible for the same term discount.

#### Too Many Criticisms

One out of every six daily reports is criticized, Mr. White said, and the cost of handling is sizable. Some 60% of all criticisms result from improper use of forms or endorsements, indicating lack of proper instruction in the agents' offices. This may be so, agents admit, but such instruction is part of the duties of the field men.

E.U.A. has recommended combining four builder's risk form rules into one, and have recommended the consolidated rule for nationwide use. An automatic binder form for builder's risk is being developed. It has a minimum premium for one year and is designed for use in covering operational builders in the process of erecting a large number of homes in a given development. The policy would apply at the start of the job and would automatically cover each successive building as it was started.

Because of recent litigation which resulted in a holding that no liability existed when an agent failed to name the company in which he intended to bind protection, on oral binder, companies are urging all producers to reduce a binder to writing at once, naming the company.

Agents and companies discussed the



C. H. Peterson, Maryland Casualty; Paul R. Whitbeck, Cleveland; Mrs. Whitbeck, Mrs. Charles F. Williams, Cleveland, and Mr. Williams, at N.A.I.A., Cleveland.

broadening of the liberalization rule. Recommendation has been made to extend the application of the clause to any policies written 45 days prior to a change in the rate or rule. Most companies favor extension of the clause. The West Coast agents have asked I.E.A. for the same broadening.

#### Reports U. & O. Answers

Replies to the E.U.A. business interruption survey indicate that 416 did not write the class, 915 agents did write it, and 18 have no trouble with the sale. Low sales were attributed by 506 to lack of knowledge, by 296, cost; by 282, complexity of rules; by 208, reluctance of insured to reveal his figures, by 76, loss adjustment complications.

Among suggestions for improvement, 41 recommended simplification; 368 believe advertising would help; 256 feel that education of producers would cure the situation; 64 believe lower rates are necessary; 58 would like to have some loss case histories from which to quote; 41 would prefer to add the coverage to the fire policy, and 27 would like to see a change of name.

The special U. & O. committee of E.U.A. is aiming to produce a form simple enough for Main street merchants to understand and agents everywhere to sell, Mr. Doremus commented. One idea is to tie it in with the merchant's stock.

The committee has reviewed an immense amount of data on turnover, inventories, etc. No formula seems possible for saying the U. & O. amount should be 50% of inventory, for example. It has not been possible to generalize one class from varying classes of stock.

A spot check of one week's daily reports, he continued, showed that of 103,000 clearing in E.U.A. territory outside Massachusetts and New York City, 70% carried E.C. Of that 70%,

the following percentages were discovered that carried AEC: Connecticut, 5; Delaware, 2; District of Columbia, 16; Maine, 2; Maryland, 12; New Hampshire, 7.5; New York except New York City, 7.5; New Jersey, 6.5; Pennsylvania, 5; Rhode Island, 2; and Vermont, 1. Total AEC premiums on the test were \$32,200, indicating a \$1.5 million annual production rate.

Claims have followed the predicted pattern, he said, except for the higher incidence of ice, snow and freezing losses. Ten company groups reported losses for the check, and these showed there were losses for all eight perils. There were 102 claims, or 53% of the number, involving water damage, total \$27,000; 37 ice, snow and freezing, 20%, \$20,659; rupture of steam boiler and hot water, 24, 13%, \$20,307; vehicles, 5% of claims, \$1,939; vandalism, 4%, \$953; collapse, 3%, \$2,260; glass, 2%, \$537; fall of trees, one claim, \$330.

Losses of Home, the largest AEC writer, follow this general pattern. The check revealed a number of dwellings do not have EC. He suggested now is the time to get the customer to say he doesn't want that, in view of the large number of wind losses in the east in recent years.

He noted that mutuals are cooperating with National Board in the catastrophe plan.

#### Conference Change

The conference voted to change somewhat the naming of the conference committee. Carleton Fisher of Providence reported that a study he has made shows that technically the conference is not sanctioned by N.A.I.A.'s constitution.

Mr. Munz said effort is being made by the metropolitan and large lines committee of N.A.I.A. to secure more participation on the conference's annual meeting and the next one will have a breakfast conducted by this committee.

William F. Stanz, president Brooklyn Agents' Assn. wanted to know what progress has been made in alter-

ing the term discounts. The onslaught of installment will influence agency costs importantly, he said. These now are being studied. Mr. Doremus said the matter is now being studied by I.E.A.

"That makes me groan," Mr. Stanz commented.

There was some discussion of the difficulties where the deductible is optional and some policies have it and some don't. Joel Harrison of Jersey City said he'd like to see it mandatory.

#### Too Many Options

Agents have too many options, Norman Smalley of Plainfield, N. J. commented.

One reason for recommending the option is that some insured, young owners, say, haven't \$50 to fix a roof, Mr. White said.

George Margraff of Eliel & Loeb, Philadelphia, mentioned that when introduced AEC was supposed to be subject to change as bugs showed up.

E.U.A. has a file of 32 suggested changes, Mr. Doremus said. Other regions have a number.

#### Multiperil Policies Effect

But now multiperil policies have come along, which include E.C., A.E.C., some P.P.F. covers, etc. The business will have to wait till some of these new forms have shaken down. Many of the A.E.C. weaknesses named have not yet shown up in actual operation.

Mr. Margraff, who is chairman of arrangements, told of the annual E.A.C. meeting April 12-14 in Philadelphia. Commissioner Leslie is one of the featured speakers.

Chandler Moffatt of Westport told of deductible experience in Connecticut. He thinks that after the 1950 windstorm, agents would like the optional back; so many situations developed where insured didn't have \$50 to fix his roof.

#### Rocky Mountain People Hold Huddle at Cleveland

CLEVELAND—The Rocky Mountain Territorial Conference principally occupied itself with a discussion of the work of its conference committee with companies, Charles Schoelzel of Denver reporting. Howell Earnest, Santa Fe, was in the chair.

The annual meeting of the conference will be at Colorado Springs April 16-18.

#### First Time for Hawaii

James Y. T. Leong, Honolulu, president Board of Underwriters of Hawaii, was the first official delegate from the territory to an N.A.I.A. meeting. He took a bow near the close of the opening state directors session.

In introducing Mr. Leong, President Van Vechten got an unexpected laugh when he said "There is a gentleman here for the first time."

Although the scattering of the meeting among four hotels was inconvenient, the facilities were adequate and the sessions well handled. There was one gripe the first day on lack of press microphone as the state directors met.



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The Royal Exchange, as one of the oldest companies in the world, has made consistent progress, increased in strength, maintained its record for efficient operation, and rendered excellent service to agents and insureds for 232 years.



Frank McVicar of Hartford group, the stag, Mrs. William Webb, Statesville, N. C., and Thomas W. Earls, Cincinnati, at Hartford headquarters.



## Orchids, Lemons at Far West Session

### Praise Pacific Board and Its New Form, Rap National Bureau

CLEVELAND — The Far West conference of National Assn. of Insurance Agents, with F. P. Middleton, Phoenix, in the chair, devoted a large proportion of its session here Monday morning to complaints about the automobile insurance situation in general and the National Bureau of Casualty Underwriters in particular, but also commended Pacific Board for its work with a new broad dwelling form and urged that it be made effective immediately.

T. A. Harman, Seattle, led the attack on the National Bureau and found many highly vocal sympathizers. He drew a laugh when he said its staff members do not know what a logging truck looks like, but rate these vehicles from far-off New York. He urged that agents confer with non-bureau companies as the only way to jolt the National Bureau into cooperation. He then offered a motion to instruct the executive committee of the conference to work out arrangements for a meeting with non-bureau carriers, either through an organization or with a group of representative companies of this type.

#### Motion Fails to Carry

Although many present were highly in favor of Mr. Harman's ideas, the motion, when put to a vote by states, failed to carry. It would have required unanimous approval and only Idaho, Nevada, Utah and Washington went on record in favor of it.

K. L. Nehring, Tucson, state director of Arizona and former N.A.I.A. executive committeeman, in opposing the motion, said that while he did not think the bureau was free of fault, in his opinion many agents have made the situation worse by playing National Bureau companies against independents, often giving their best risks to non-bureau companies and expecting accommodation on the others from bureau insurers. R. D. Callister, Salt Lake City, Utah state director, said that curtailment or withdrawal from the market by companies writing below manual had thrown a heavy burden upon the agents. There was considerable concern over the growth of direct writers and many agents asked for activities by agency stock carriers to help the competitive situation, in addition to rate increases.

#### Praise Pacific Board

In contrast to the National Bureau, Pacific Board came in for nothing but praise. The agents were decidedly in favor of the proposed broad dwelling

form, which was described in detail in THE NATIONAL UNDERWRITER of Sept. 18. Two resolutions were passed on this subject. One praised the board for its initiative, for the research undertaken and for taking the agents of its territory into its confidence on this matter. The other asked for immediate adoption of the form and pledged cooperation of the agents in promoting its widespread use.

Another resolution expressed regret over the death of F. W. Norgard, Yakima, past Washington state national director, and sent condolences to his family.

The Menn award for the state in the conference doing the best public relations work went to the Arizona association. This trophy was established by W. H. Menn, Los Angeles, past N.A.I.A. president.

### Explains Setup of New N.A.I.A. Rural Agent Unit

The objectives and plans of the N.A.I.A. small lines agents' committee were described at the conference of that group at Cleveland by Glenn J. May of Spencer, Ind., committee chairman.

He suggested that each state association create a similar committee to be set up on the same pattern as the new national committee. Each territorial conference should also create a committee of this nature, he said. Most questions that come up within the state associations can be handled in the state limits, but if they grow out of proportion or become of interest to agents regionally or nationally, there will be a continuity of thought and organization.

#### Tells Ohio Plans

Berney W. Phelan of Versailles, O., described to the N.A.I.A. rural and small lines agents committee, the plans of its Ohio counterpart. Approximately 70% of the membership of the Ohio association, Mr. Phelan said, are from communities of 25,000 population or less. The Ohio rural agents committee will hold four meetings in the four geographical quarters of the state to receive and process questions. Matters affecting the entire insurance business or those which cannot be answered at the local or state level will be forwarded to the N.A.I.A. committee for further analysis.



C. F. J. Harrington of Boston, secretary National Assn. of Casualty & Surety Agents, and A. E. Shepperd, San Jose, Cal., at N.A.I.A. convention.

He added that the committee may be helpful in removing "archaic rules and forms" and establishing some uniformity. Further, it may be of some public relations benefit.

C. J. Lingenfelder of Chicago, retired secretary of America Fore, went to Cleveland to mingle with old friends at the N.A.I.A. convention and to aid in getting out the America Fore directory of conventioners.



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William A. Hannon, vice-president Employers Reinsurance, seen checking the company headquarters list at Cleveland.

## Southern Agents Oppose Auto Merit Rating, Loss Clause

CLEVELAND — The Southern Agents Conference of National Assn. of Insurance Agents opposed both the new loss clause and automobile merit rating plans but declined to take a stand on proposed revisions of the fire insurance term rule and installment premium plans. With G. E. Gillis, Jr., New Orleans, presiding, the group discussed a number of subjects and ran into differences of opinion only on the automobile merit rating resolution.

No one had a kind word for merit rating, but several members felt that the matter should be referred to the casualty insurance committee and that action should be withheld on the ground that it would be wiser to wait and see what experience develops. However, on a vote on a resolution opposing these plans, only Virginia and Florida voted in the negative and South Carolina passed.

### Neumann, Carlson Describe Plan

J. A. Neumann, Jamaica, N. Y., member of the N.A.I.A. executive committee, and T. O. Carlson, New York, actuary National Bureau of Casualty Underwriters, explained the plan which will go into effect in New York Nov. 1 and answered a number of questions about it. Mr. Carlson said that only one state in the Southern Conference territory has shown any interest in it. Commissioner Waldo Cheek of North Carolina, who was present, said that his state is not interested.

The vote opposing the loss clause was unanimous. W. O. Thomas, Birmingham, state director for Alabama, spoke strongly against it and said the Alabama association will fight adoption in that state as strongly as possible. He said this is the first time in history agents have been called upon to participate in loss payments and, although loss of unearned commissions may be insured, he does not like the principle.

M. J. Hartson, Jr., New Orleans, N.A.I.A. property insurance committee chairman, led the fight against taking a position on term rule changes. He said the matter must be studied with a view toward reducing expenses and it is es-

sential to get the entire background of term rules.

There was considerable discussion of agents being notified of changes in rules and forms in advance of effective dates. No formal action was taken, but everyone present felt that agents should be notified, either by insurance departments or through company channels. Mr. Cheek said that North Carolina makes all filings public, prior to approval or disapproval, and that he is very satisfied with this procedure.

A proposal that each territorial conference send a representative to meet with the N.A.I.A. executive committee was approved.

The 1953 meeting will be held April 29-May 2 at Hollywood, Fla. Invitations for the 1954 meeting were received from San Juan, Puerto Rico; White Sulphur Springs and Biloxi.

## Casualty Capacity Plagues Agents; Neumann Tells of Attempted Remedies

Some of the headaches agents acquire in trying to obtain sufficient capacity for their casualty risks were outlined by Joseph A. Neumann of Jamaica, N. Y., state director of the New York association, at the metropolitan and large lines agents conference of N.A.I.A.

Describing the growth and present seriousness of the problem, he said that some corrective steps have been attempted. One is the formation of the insurance industry committee on automobile accidents which has put out reports on studies in New York state and in New Jersey.

There is some hope for additional capacity in the 40 odd fire companies that have amended their charters to engage in casualty insurance. However, this movement has been a slow and careful one. While admitting that the companies cannot be expected to plunge into what is obviously an unfavorable situation, Mr. Neumann asked "how long can this same management stand the drain of their normal fire volume pressured off their books by the established casualty writers? Lest there be some wishful thinking in recent attempts to stem the tide, increased fire commissions will not suffice."

A few days ago, he reported, the New York association sent an inquiry to the multiple line companies asking if they



Foursome at Cleveland convention of N.A.I.A.: Drex Foreman, Texas executive secretary; M. G. Herndon, N.A.I.A. Washington man; Paul C. Sackett, Albuquerque and Robert Bronson of Albuquerque, new president of New Mexico Agents Assn.

would meet with the agents to explore further the possibilities of some relief measures, and there may be some good results from this.

## Broader Market Needed to Test New Stockholders Protective Policy—O'Connor

CLEVELAND—In his talk on coverage problems of large agencies at the metropolitan agents session of National Assn. of Insurance Agents Wednesday morning, J. C. O'Connor, Cincinnati, executive editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, described the proposed stockholders protective policy. He said that up to now it is filed only by one direct writer in two or three states, but has attracted much attention and many insurance men have been asked about it by clients. He hopes, he said, that at least a somewhat broader market will develop so that insurance men will find out whether it fills a need in the business.

Mr. O'Connor also described the new improvements and betterments form which has become mandatory in the middle west and is likely to spread. He said he has been asked about it by insurance men throughout the country. It will probably develop shortcomings which will need revision or clarification, but is the first time an attempt has been made to spell out coverage and it should cure many inequitable and ambiguous situations which arose under older forms.

Reminding his audience of the discussion on deductible fire insurance at last year's meeting in Chicago, in which he took part, Mr. O'Connor said the past 12 months have convinced every realistic insurance man that this coverage is here to stay. So far, it seems to have been used primarily as competition to self-insurance and it has not upset

the business as some people feared.

Mr. O'Connor also discussed the return commissions coverage filed by a few companies, which reimburses an agent where the insured suffers a large total or nearly total loss and does not restore the property. Under the new loss clause in most states, an insured in that situation is entitled to cancellation with a return premium and the agent is liable for return commission. The new contract protects the agent against loss of that type.

## N.A.I.A. Secretaries Gather Under Subdued Lighting

Full-time secretaries of state associations of insurance agents and local boards held an informal session throughout the day Sunday at Cleveland as a curtain-raiser to the N.A.I.A. convention. This group avoids getting into the limelight and the spokesmen emphasized that the meetings are informal and entirely discussonal. About 30 took part. Urban Krier of Milwaukee, the Wisconsin secretary, presided, and he was reelected as the chairman.

## Sheldon Gives Preview

Vice-president Walter Sheldon relieved President Van Vechten at the gavel during most of the opening national board of state directors session, because Mr. Van Vechten's voice was tired from delivering his presidential report and the other calls made upon it Monday. Mr. Sheldon was an excellent presiding officer and his handling of the session was a promising portent for the 1953 meeting.



Guy Engle, state national director of Wyoming association; George Hampton, Jr., assistant secretary of Phoenix of Hartford; Lloyd Greer of Manchester, executive secretary New Hampshire Assn. of Insurance Agents, and Urban M. Lelli of Chicago, secretary of Phoenix of Hartford, at Cleveland convention.



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Kenneth Ross, Arkansas City, Kan., and Robert Maxwell, Texarkana, Ark., N.A.I.A. executive committee members, at Cleveland convention.



## Carter Commends Hands Off Votes on Commissions

CLEVELAND — The N.A.I.A. Midwest Territorial Conference Monday morning heard George W. Carter, Detroit, express unqualified opposition to installment payment and annual renewal plans.

Mr. Carter, who is chairman of the conference committee of the midwest



George W. Carter



H. W. Huttenlocher

body, commended the agents associations of Washington, Oregon and Rhode Island for asking N.A.I.A. in any discussions with companies on commission matters to go on record that they are not speaking for those states.

H. W. Huttenlocher, Pontiac, the chairman, presided. He introduced as work horses, H. H. Corson, Memphis; R. L. Ashton, Milwaukee, and A. M. O'Connell, Cincinnati. He also complimented State Secretaries H. E. McClain, Indianapolis; B. G. Gregory, St. Louis; G. L. Goss, Memphis, and Urban Krier, Milwaukee.

Mr. Carter said he is dead set against installment payment and annual renewal plans. There is nothing in the rating plans which justifies this "synthetic way of selling insurance," he said. A 3% charge for handling installment business is a redundancy in the rate and defeats the reserve system, he charged.

One of the very largest company groups, according to Mr. Carter, will have its own finance company in operation approximately five months hence. This, he thinks, is the only proper solution.

### Wants Commission Privacy Conserved

Mr. Carter denounced any action by the National association on commissions, affirming that the privacy of the agency contract must be preserved. He also predicted unhappy results for agents and companies who agree on "excessive" commissions. State associations are best equipped to discuss commissions because of the relative permanency of their executive secretariats. Michigan agents, he said, don't want people at national headquarters involved in these discussions.

Of the present unhappy automobile situation, Mr. Carter said demerit rating is not the answer. That this plan is left to the "invitation" of the separate

states is a fine example of company-bureau cooperation. Certain classes of casualty business do not lend themselves to individual rating and these most certainly include automobile liability coverage. He compared demerit rating with an attempt to rate dwellings specifically.

W. O. Hildebrand, secretary of the Michigan association, outlined details of the meeting of the conference at Detroit next Feb. 22-25.

## HERNDON REPORTS

### Hope and Fear in Washington Sphere

CLEVELAND — The 83rd Congress will have many new faces, new ideas, and new problems for local agents and private insurance when it meets next year, Maurice G. Herndon, N.A.I.A. Washington representative, reported to the National Board of State Directors. Retirements, deaths, primary defeats, and redistricting under the new census, have guaranteed six new Senators and 60 new Representatives.

Carry-over legislative problems include what to do about war damage, flood and federal crop insurance, bonding of government employees, and further expansion of social security.

### Auto Rate Investigation

Among new issues are expected a Congressional investigation of automobile accidents and the increasing auto rates, introduced as a resolution by Rep. Javits (R., N.Y.). Another is the Department of Justice's inquiry into alleged tie-in sales of fire-casualty insurance in New York.

For agents who have their own retirement plans and who object to paying social security taxes, there is hope for relief. Two bills lost in the last session, which would have allowed an independent contractor (local agent) to elect whether he wanted SS protection.

A plan to allow tax deductions of certain money contributed by a self-employed to his own voluntary retirement plan is now being studied by Treasury



Registration desk at Cleveland N.A.I.A. convention. E. D. Lawson, Charles Martell and C. N. Mullican, Jr., of Fireman's Fund, Chicago, and George Roeding of National Underwriter.

tax experts. This proposal will be pushed again.

A considerable easing of FHA insurance bid requirements on public housing projects should develop in several months, due primarily to continuous N.A.I.A. efforts.

Whereas present F.H.A. requirements call for awarding the competitively-bid insurance contract on local public housing projects to the "lowest bidder," the new regulations under consideration will not be arbitrary on this point, so long as the insurance bidder awarded the contract is within a reasonable range of the lowest net bid (tentative estimate is within a differential of 20%).

### Minister, Force Casualties

Harry Minister of Columbus, who is treasurer of N.A.I.A. and Kenneth Force of New York, eastern editor of THE NATIONAL UNDERWRITER, suffered similar type accidents at Cleveland and were marred alike.

Mr. Minister had a fall on a ramp at Cleveland stadium Friday night while attending the baseball game there,

and suffered cuts about the eye when his glasses shattered.

Mr. Force tripped and fell down a flight of stairs at the Hollenden hotel while going from one floor to another with a camera on a picture-taking expedition. His glasses also were shattered and he suffered cuts about the eye. He also had leg and knee injuries but was able to get patched up and proceed with his duties.

### From C.P.C.U. to N.A.I.A.

Three members of the N.A.I.A. educational committee hustled to Cleveland on Sunday for a session of that group, from the C.P.C.U. session at St. Louis, they being L. Allen Beck of Denver, Joseph Schwartz of New Orleans and LeRoy Hunter of Seattle.

District of Columbia Assn. of Insurance Agents was represented at the Cleveland convention by William A. d'Espard, president; A. L. Jagos, Jr., vice president; Victor O. Schinnerer, state national director, past president V. Manning Hoffman, Robert Burns and Preston Grant. Mr. Schinnerer was recently reappointed chairman Washington Board of Trade insurance committee.

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E. J. Seymour, Monroe, La., new N.A.I.A. vice-president, and John H. Carney, Eau Claire, Wis., member of executive committee, at Cleveland.

# Vital Developments Revealed in Committee Reports of Year

CLEVELAND — Committee reports are expected to be dry documents but this year's crop from N.A.I.A. are unexpectedly lively. These committees obviously have been at work, accomplishing some real gains. This is especially so of the property insurance group.

Maurice J. Hartson, Jr., New Orleans, reporting for it, said Insurance Executives Assn. has been asked to postpone action on any term discount revision till agents can study the effect it would have on their operations. The committee had scheduled at Cleveland a further conference on the problem of getting jewelry and fur cover in four metropolitan areas.

The committee believes its function should be concentrated on learning of improvements and changes as soon as possible after they are developed in any state or territory and try to see that these are approved by insurers nationally so they may be available to every state with the least possible delay.

## Offers Agents' Services

On flood cover, if the government undertakes indemnity or relief similar to war damage, the committee has offered the services of agents in distributing coverage to the public. The committee is still of the opinion that an all risk dwelling policy, including flood damage, could secure the necessary spread and is worthy of further consideration.

Multiple line has created problems as well as benefits for agents, and will bear close watching. One package policy originally introduced on a continuous basis, which would have been injurious to the agent's ownership of expirations, was changed by the company's cooperation and limited to a definite term. Study of this subject should be continued.

The one-write policy has now been officially adopted and is in use in 37 states and District of Columbia. Legislation is needed in New Hampshire and Minnesota. There is some opposition in the far west where the dwelling policy which requires no forms has been in use and where a very high percentage of policies are prepared by the companies. Considerable rivalry has existed in producing the most attractive policy appearance and companies have used policy format competitively. Texas is well satisfied with its version of the one-write policy and would resist any change merely to secure national uniformity.

## One-write in Other Fields

The one-write principle is being considered in other lines and the committee is proposing its extension into inland marine, he reported.

A special subcommittee has developed

a format which could be used for almost every type of scheduled property coverage. It is working on a second format for writing transportation risks. The committee hopes eventually to develop a single format for all uses.

As to last fall's move by some companies to reduce term credits in order to offset installment plans, the report states that there would still probably be a 12% or greater advantage and that installment plans would continue. If, however, the decrease in the term credit makes term policies unattractive, and many insured purchased annual policies, the same ills of installment payment (multiplicity of transactions and the resulting high costs) will result. Even worse, solicitation each year will be required.

Because of a contracting market for jewelry and fur coverage in metropolitan areas the committee conferred with I.M.U.A. Extremely bad loss ratios in four metropolitan areas have caused companies to avoid and limit their writings to such an extent that agents find it difficult to place business. The agents' request for higher rates and a free acceptance of the fur and jewelry business in these areas was rejected, since I.M.U.A. felt rates in the areas could not be raised enough to cover the losses. If rates were raised in these areas, they would have to be lowered in others and thus national rating of these classes would be lost. If state or regional rating was then required the cost of promulgating such rates would be out of proportion to the premium developed.

## Want Changes in A.E.C.

Additional extended coverage is now in use in practically all states. The number of sales is many times the original E.C. in its second year. The form can be greatly simplified, but the committee has agreed that no changes will be requested until sufficient experience has developed. The committee continues to recommend to Insurance Executives Assn. that the 72-hour limitation be eliminated, the deductible be optional and consideration be given a combined broad form including all present perils of the basic fire form, E.C. and A.E.C.

There is a great need for simplification of fire forms. A preliminary study reveals that more than 85% of all fire policies include E.C. The cumbersome method of providing coverage by the use of a basic form plus an endorsement should and could be greatly simplified, by redrafting the fire and E.C. into a single form with "properly covered" confined to one section, and likewise "properly excluded," "perils covered" and "perils excluded." Work is progressing in this direction and the committee hopes to have its first draft of a revised dwelling and contents form ready at an early date.

To test sentiment on automatic reinstatement, the committee polled all agents' state and regional associations. More than 80% of those replying indicated that the loss clause — amount of insurance is not reduced by loss — would be most acceptable. Many states which

had not adopted an automatic reinstatement clause urged immediate action.

In several southern states opposition developed. The committee believes the loss clause with availability of unearned commission insurance has been a great step forward in reducing the expense of preparing policies and providing better coverage.

The loss clause has been adopted in more than 40 states.

Since the additional living expense can be provided without additional cost the committee has proposed that the clause be redrafted to include rent and replace the rental value option of the dwelling coverage.

## Liberalization Clause

The liberalization clause, which automatically includes all extensions of coverage granted without charge during the term of the policy, while only approved in one state, has worked well and should prove useful in eliminating the detail of endorsing many policies.

The definition of a dwelling varies in many rating jurisdictions. With A.E.C., midwest agents wanted a broadened definition to include four-family buildings. I.E.A. has advised that the companies would support this definition whenever requested to do so.

Because of the shortage of building materials, contractors often are unable to finish building completely prior to occupancy. Occupancy prior to acceptance voids the builder's risk coverages. To require insured to duplicate coverage still being carried by the contractor is not reasonable or practical. Permission to endorse for a period of 30 days (in some states for longer) existing insurance to provide coverage is now granted in several states and the committee hopes to secure national approval at an early date.

## 30,002 MEMBERS

N.A.I.A. has passed the 30,000 mark by two, Chairman Dave R. McKown, Oklahoma City, reported for the local board and membership committee.

The committee is concerned about the large number of dropped members and has consistently urged state officers to make as many reinstatements as possible.

Local boards increased by 45. There is keen interest in many quarters in their establishment. But there is a vast potential which has not been touched. Many states still show a low development to standard ratio and there future activity should be especially directed.

The committee believes some injustice has perhaps been done in certain states, arising out of a larger non-white population than is contemplated in the formula. Accordingly it urges that a development to standard be recalculated after Sept. 1 based upon the completed 1950 census.

## Work Book on Analysis

The past year the educational committee under E. F. Young, Charlotte, N. C., has developed new promotional aids—the promotional display, short course school manual, standard measure circular and a revised discussion group manual. A fourth subject has been added to the agency management course, a work book on customer account analysis.

The committee has been guided by the idea that use of surveys should not necessarily be confined to sales effort but is a vehicle whereby the agent can make professional advisory service available to present clients. The course illustrates methods of using survey techniques, procedure for preparing adequate account analysis by developing the

five major steps in the preparation of an insurance survey. It has been written as a six hour course and becomes the fourth unit in the agency management series.

In addition to the advanced agency management institute at the University of Connecticut, California and Ohio Assns. have sponsored similar programs in their areas. This gives an adequate spread of facilities for agents interested in programs in this field.

## Agency Cost Study

The agency management committee, of which William B. Glassick, Hollywood, is chairman, experienced great difficulty in completing the cost analysis, the one item on its agenda.

Many members have been reluctant to complete and return questionnaires. Without the basic information developed therein the ultimate aims of the study cannot be achieved. However, the committee has collected the necessary statistics and is in the process of collating and correlating the information. Hopefully the work will proceed to some ultimate conclusion.

Whether or not the report will be released upon completion depends upon an estimate of the representative nature of the statistics involved and the committee's ability to evaluate certain developments which must be incorporated in the report. The matter is now before the executive committee, which will make the final decision. Perhaps the study will be completed in two or three months, so the committee can proceed with other important considerations.

## Casualty Outlook

The casualty committee, J. F. Nicolls, Houston, chairman, cautioned critics of the results of the present conference procedure that desired changes generally cannot be attained quickly—particularly in light of poor loss ratios of casualty insurers on major lines. Hence several recommendations for broadened coverages have had to be temporarily shelved. A cordial relationship has grown up between National Bureau of Casualty Underwriters and agents' representatives.

## Decentralization Proposed

As to the far west conference recommendation for decentralization of the bureau and granting of the power of final decision to territorial rating organizations for casualty insurance, which was turned down, the casualty committee suggested reference to the executive



Don A. Tillum and A. Reid Johnson of New Amsterdam Casualty at N.A.I.A. meeting.

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committee for instructions regarding further action if deemed advisable.

Resistance continues among insurer executives to the agents' suggestion that National Automobile Underwriters Assn. and National Bureau be consolidated, primarily because of the difference of the make-up of the membership of the two. The committee recommends the matter be referred to a special sub-committee of top N.A.I.A. executives for appropriate handling.

#### Small W.C. Risk Problem

On the workmen's compensation small risk problem agency sentiment has been collected and passed on to National Council on Compensation Insurance, which will give it full consideration.

When casualty insurance again is on an even keel, the tangible benefits of working closely with company organizations will be felt by the agents, the committee believes.

The practices committee headed by T. K. Robinson, Memphis, worked out the changes in selecting and in size of the executive committee. With this constitutional amendment, the committee's assignment is completed and the report asks for discharge.

#### METROPOLITAN

The metropolitan and large lines agents committee, of which Emil L. Lederer, Chicago, is chairman, is a continuation of the special metropolitan agents committee.



Emil L. Lederer

To learn which members of N.A.I.A. are large lines agents, a definition was worked out: An agency a large proportion of whose writing includes mercantile, industrial, utility, financial institution or transportation accounts; or a large proportion of whose writing contains accounts with locations in more than one state; or whose total writings in all categories exceed an average of \$500,000 a year. The list of such agents compiled totaled 791 agency names. Subsequently there have been added 109.

Qualification of agencies by direct questionnaire shows that more than 90% of the total on the list qualify under the definition. Thus, a substantial portion of the membership of N.A.I.A. is interested in the problems of large lines agents and are willing to participate in a program to help the committee to solve such problems.

A full committee meeting was arranged for Cleveland.

#### Doing Good Work

The trade association contact committee, headed by Charles H. Frankenhach, Westfield, N. J., has existed a year and has assumed the duties of the speakers' bureau committee.

The committee suggested that it be comprised of men closer to a given center, such as Washington, to save expense and time. It observed that its program is a good one with terrific potential.

#### C. H. Frankenhach

It is a public relations program. It should be continued—the surface has only been scratched.

Half a dozen states are well on their way—Mississippi, Michigan, California, West Virginia, Virginia, and Georgia, among others.

The program as designed was to work from the top down. The committee believes that convention speakers work from the bottom up. Example:

## Beck Stresses Need of Basic Knowledge

L. Allen Beck of Denver stressed the need for fundamental knowledge of insurance as well as a desire to render professional service to clients, in his talk at the N.A.I.A. workshop session at Cleveland.

Speaking on "The Philosophy of Customer Account Analysis," Mr. Beck stressed the need of thorough preparation of surveys, and explained how the latest unit in the advanced agency management series of the N.A.I.A. education division can be helpful in survey preparation.

#### Teaches Reduction of Risks

Mr. Beck pointed out that the entire program of the educational division has been to promote a fondness for knowledge among N.A.I.A. members about the insurable risks to which their clients are exposed, and to learn how to eliminate or reduce these risks.

The new unit, customer account analysis, is "concerned primarily with the development of a service attitude systematized in such a way as to produce a professional relationship between the

Speaker appears at a state or regional meeting, presents a good message, makes an impression and is then invited to appear on a national program. Program chairmen of national meetings are wary. They do not want to be saddled with a dud or an uninteresting topic.

Major emphasis of the accident prevention committee, Reginald L. Price, Charlotte, N. C., chairman, has been on improving the traffic safety record in communities. While the accident record seems to be getting higher, each year many new vehicles are added to the tremendous volume of highway traffic and more motorists are on the road. Percentagewise the picture is not as grim as it appears.

Insurers need the help and assistance of all agents in combating the automobile accident problem. They must depend primarily on the work of agents to reduce accidents and also to convince the people that they make the rates. In accident prevention high school driver programs, adult refresher course programs, and stricter enforcement of existing traffic laws will do much.

#### Adult Refresher Courses

Several pilot adult driver refresher courses have been conducted in several local associations in New Jersey most successfully. Requests are coming in for copies of the program.

Interest has been re-aroused in the father-son, dad-daughter agreements program. The committee emphasized the amazing effectiveness of the program where promoted by an individual agency or local boards. There is also growing interest in traffic attitude schools.

Among activities of the fire safety committee, headed by John J. O'Toole, St. Louis, were cooperation in promoting a movie, "Red Skies of Montana," made in conjunction with U. S. forestry service; and getting calendar makers to designate Fire Prevention Week in red. Some insurers are doing the latter on 1932 calendars, including North America, Loyalty group, America Fore, Home, Phoenix-London and St. Paul.

Visit building officials day, again set for April 16, has had excellent results. He emphasized the proposed school inspection program and the hospital inspection program which the committee still feels has not been handled properly.

The fidelity and surety committee recommended that N.A.I.A. take a position condemning the practice of owners or architects specifying either agent or a bonding company as a condition for the granting of a contract, and join other interested parties in an effort to discontinue this type of contract requirement. J. Kenneth Cormack of Providence, was chairman.

agent and his client," Mr. Beck explained.

Mr. Beck emphasized the need for highly professional selling. The course in customer account analysis will help develop such a professional attitude, he said, embracing research into the client's loss, recommendations for protection against losses, finding markets for coverages, and selling the survey method to the client.

To be competent in the insurance field today "we need a familiarity with a multiplicity of policy forms and endorsements, with manual rules, rate structures and procedures, and an understanding of the hazards that surround each client," Mr. Beck said. In addition, he stressed the need for a professional view, which would sometimes mean recommendation of coverage with low premium and commission in preference to the higher one that has perhaps more claim frequency but less possibility of catastrophic loss.

#### Coverage Variety Offered

Mr. Beck reviewed the development of "multiple peril" coverages in the last 40 years, which he said has caused the need today for a greater knowledge of the insurance mechanism. Now even a greater variety of coverage is offered, he said, bringing new questions such as the proper classification and rating of the risk, its loss experience, eligibility for experience rating, and the attitude of the management or individual. "We must have the desire to serve our clientele, a sense of responsibility to those whose premium money we accept. That sense of responsibility builds confidence, and we then have the professional relationship," he said.

Mr. Beck described four ways generally used by agents who engage in customer account analysis. First, those agents who have surveys prepared for them by the company. The fault with this, he said, is that the company does not know the insured as well as the agent does, and while it may furnish sufficient technical data, the agent must know how to apply it.

Second are those too busy making new contacts to properly analyze old accounts. The third group are those with a well organized office who have trained personnel allotted for survey work. Last are those who have found the customer account analysis desirable, but who do not find enough time to do the job thoroughly.

#### Program Has Three Parts

With the exception of the third group, which could probably teach the course, Mr. Beck said all agents could profit by the new course in customer account analysis. The program is divided into three essential parts, he explained: An explanation of customer account analysis as essentially a service plan, the fundamental approach to a survey, and different techniques for small, medium, and large agencies.

"The individual or firm whose insurance adviser has behind him all the N.A.I.A. educational courses, topped off with this new course in customer account analysis, need do no further shopping for competent insurance counsel," Mr. Beck summarized.

#### Bethel Absent Because of Injury

Peyton B. Bethel, Louisville, secretary Kentucky Assn. of Insurance Agents and Louisville Board of Fire Underwriters, was forced to miss his first National Assn. of Insurance Agents meeting in many years when he fell down stairs last week. Although not believed to be serious or permanent in effect, the accident injured Mr. Bethel's knee so painfully that he was unable to make the trip.

The accident was particularly regrettable because Mr. Bethel is scheduled to retire Jan. 1 and this was scheduled to be his last meeting in an official capacity. Mr. Bethel has a host of friends in N. A. I. A. circles and the immediate reaction of everyone was a hope that he would get to next year's meeting on some basis or another.



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## Urges Reciprocity, Not Retaliation in Interstate Laws

An analysis of retaliatory legislation was made by H. Harold Leavey, vice-president and general counsel of California-Western States Life, in his talk at the insurance section of the American Bar Assn. annual meeting at San Francisco.

It was Mr. Leavey's contention that reasoning be directed toward eliminating such legislation and submitting provisions based on principles of comity and reciprocity. The growth of insurance, he stated, has not been aided by such legislation.

Mr. Leavey indicated that retaliatory legislation generally is patterned after the rule that if one state or nation taxes or regulates insurers in excess of standards set up by another state, the latter will tax or regulate to the same degree. Retaliatory legislation does not entreat other governing bodies to deal fairly with the corporations, but admonishes them to do so with a threat of reprisal. The characterization is important, the speaker pointed out, because of the legal principle that reciprocal law should be liberally construed while a retaliatory law should be strictly construed.

### Favors "Aggregate System"

Wherever possible, Mr. Leavey urged that the "aggregate" system of computation of retaliation taxes be approved. This system simply requires a comparison of the total burdens resulting from different tax bases. The "item by item" system involves the computation of each particular tax, licensing requirement, etc., often resulting in an attempt to compare things which cannot be compared.

Retaliatory statutes of many states, Mr. Leavey noted, are phrased in terms such as "similar insurance companies" or "companies doing similar lines of business" and in all cases there should be no retaliation against lines of business other than the one subjected to the offending statute of the foreign state. However, he went on, the retaliatory legislation of five states is so worded that it could be construed as a mandate that it be applied against all insurance companies, regardless of the line of business written.

As for the constitutionality of retaliatory legislation, Mr. Leavey stated that it has consistently been upheld in the federal and state courts with but one exception. The Alabama supreme court has ruled that Alabama retaliatory legislation constituted a denial of equal protection of the laws, and unlawful delegation of legislative authority, and a violation of the uniformity of taxation provision of the Alabama constitution.

Mr. Leavey said that federal relief from retaliatory statutes has been precluded by the passage of the McCarran act, which gave congressional consent to continued regulation and taxation by the states, even though insurance has been established as interstate commerce. However, he concluded, that decision has given to Congress a reservoir of power to step into the field of internal regulation. "This is a point to keep close in mind, for retaliatory legislation is akin to other burdens which the states have imposed upon interstate commerce which have been the motivating factor in rendering portions from the right of the states to govern themselves."

### S. F. Auto Adjusters Banquet

The annual banquet of Automobile General Adjusters Assn. is to be held at San Francisco Oct. 17.

The W.U.A. film, "Introducing the Policymen," was presented to **Insurance Women of Wichita** at their opening dinner meeting by C. J. Wintroll, Royal-Liverpool state agent, Wichita.



N.A.I.A. first ladies: Mrs. James F. Van Vechten, Akron, wife of outgoing president; Mrs. Walter Sheldon of Hinsdale, Ill., wife of new president, and Mrs. E. J. Seymour of Monroe, La., wife of new vice-president, at Cleveland convention.

## Many Notables on Panel Sessions at Hemisphere Meet

At the hemispheric insurance conference in New York last week, in the marine panel, Thomas F. Glavey of Chase National Bank and J. J. de Souza Mendes of the Brazil Institute of Reinsurance discussed uniformity of policies. The latter noted little progress has been made between countries but there has been some within countries.

John T. Byrne of Talbot, Bird & Co. urged adoption of a resolution urging various groups to try to insure that among institutions, services and trades accorded the most favorable nation treatment in commercial treaties between countries, marine insurance is specifically included.

R. Bruce Miller of North America talked on marine loss prevention and Henry L. DeRham of Chubb & Sons, coastwise and inland transportation.

In the fire session, Prentice Reed, New York adjuster, discussed loss adjusting, Mr. Glavey the effect of inflation, H. Sumner Stanley of New York Fire Insurance Rating Organization, rating, and Horatio Bond of National Fire Protection Assn., fire loss prevention. James B. Cullison, Jr., retired head of Rain & Hail Bureau, treated that subject. E. Paris Ambard dealt with the arson law and loss adjusting practice in Venezuela, and Sr. Mendes noted the tendency in fire reinsurance toward adoption of methods that reduce overhead.

### Casualty Session

In the casualty session, Sr. Mendes talked about health insurance written by private companies. George Saunderson of La Provincial, Mexico City, talked on civil liability, and Luis Bobadilla of Seguros Progreso, Mexico City, workmen's compensation insurance.

Sr. Mendes noted that health and sickness insurance, that covering medical, pharmaceutical expenses and hospital, is slowly being absorbed by social security. In some countries of America this insurance practically no longer exists in the private enterprise domain.

He suggested that hospital coverage has not yet met with general acceptance, at least in Brazil. The limits set for the daily payments and expenses are generally low and do not meet the real needs of the interested parties. Consequently, he advocated to the confer-

ence another method of such coverage that is capable of being operated on a large scale by private insurance.

The indemnity to insured would be proportionate in case of a sickness being diagnosed, instead of payment of limited fixed payment benefits and reimbursement of medical, hospital and pharmaceutical expenses, also limited, without exception. Once sickness is diagnosed by a physician of the insurer's choice, insured would be entitled to an indemnity, based upon the insured amount in an indemnity table. A sickness would be classified in a table, following a scheme similar to personal accident coverage for permanent disablement. The classification would establish a graduation, not based upon the nature of the sickness, but on the total expense of its treatment. The more serious sicknesses are not necessarily liable for the largest expense to the sick person.

He thinks this would enable insurers to reduce overhead, and that insured would like it better because the coverage would be for an amount corresponding to the real needs of insured, who in accordance with living standards would subscribe to larger or smaller amounts.

There is a need to avoid anti selection inherent in individual health insurance, a danger increased by the possibility of variation in the insured amount. However, this could be overcome by not insuring all persons bearing congenital or genetically foreseeable diseases and only accepting coverage of sickness acquired after the date of inception of the insurance contract.

### Coverage for Five Years

Insurance would be written for not less than five years with a new examination in case insured wants to renew. Any acquired disease observed should fall under the expiring policy.

The indemnity table would be based in the beginning chiefly upon medical experience. In this way it would be possible to determine fairly closely which diseases are the most expensive for the client, which the least expensive, and even to establish a relation between them. There would be maximum and minimum age limits for commencement of the insurance. There would be four factors, sex, age, profession and locality. Unfortunately these statistics are difficult or almost impossible to obtain. This is the classic vicious circle: There are no statistics because the insurance is not being written and no insurance can be written because there are no statistics. Some help might be found in most countries in death statistics that

give details about that cause of death. Perhaps the conference could urge a study of the various factors involved.

## R. F. Bryan Heads Atlanta Assn. of Insurance Agents

Robert F. Bryan has been elected president of Atlanta Assn. of Insurance Agents succeeding Cobb Torrance, who is a city alderman and chairman of the city's fire rate committee. Travis Johnson was elected vice-president. New members of the executive committee are Forest Fowler and Gus Naumann. Geo. DuR. Fairleigh is secretary.

Complete support was given to a recommendation by Mr. Torrance that association members voluntarily carry the highway safety story to business, civic and other clubs to which they belong, and to industries and businesses which they insure.

A speakers bureau will be set up to coordinate the program. It is Mr. Torrance's idea that such a program in a year's time will especially reach a large number of future jurors "who in large part will be responsible for the rate the public will pay for its insurance."

## Won't Adjust for Lloyds

LANSING, MICH.—The Michigan Adjustment Bureau has notified Michigan Assn. of Insurance Agents that it has declined a request of London Lloyds to adjust losses under its controversial contract with members of Michigan Dry Cleaners Assn. The bureau handles considerable mutual business, along with some adjustments for stock carriers.

Commissioner Navarre is still awaiting an answer to his letter to the attorney general asking whether the dry cleaners' association solicitation in behalf of Lloyds constituted a violation of the insurance code.

## Roanoke 1933 Site

The official dates of the 1933 convention of Virginia Assn. of Insurance Agents are June 22-24 at Hotel Roanoke. The original plan was to meet at Washington, D. C.

## Wash. Steering Group Schedule

The Washington Assn. of Insurance Agents executive committee will hold meetings Oct. 10 and Nov. 7 at Seattle; Dec. 12, Tacoma; Jan. 6, Seattle; Feb. 24, Olympia.

Marvin T. Covalt, associated with his father-in-law, Laurin W. Jones, a past president of Kansas Assn. of Insurance Agents, at his agency at Dodge City, is expected to be back with the agency soon, following termination of navy service.

## Ohio Association Elects Schryer and Powell

(CONTINUED FROM PAGE 16)

three years and went into the vice-presidency at the Cincinnati meeting last year. Born in South Bend in 1896, Mr. Schryer graduated from Bluffton College. He was principal of Bluffton high school for three years before entering the insurance business in Lima, where he operates his own agency. He has been active in Boy Scout work for 17 years, being past president of Shawnee Council and recipient of the Silver Beaver award, and has served as Red Cross chairman for Allen county.

Mr. Powell graduated from Denison University in 1927 and received a master's degree from Ohio State University in 1932. Between 1932 and 1938, he was principal of Mt. Gilead, Nelsonville, Bucyrus and Grandview Heights high schools. In 1938 he helped form the Locke-Powell agency of Mansfield and has served as president of the Mansfield Insurance Board and four years as trustee of the eighth district of the Ohio association.

New district trustees are R. M. Clark, Hamilton; B. W. Phelan, Versailles, and H. K. Dawson, Cleveland.



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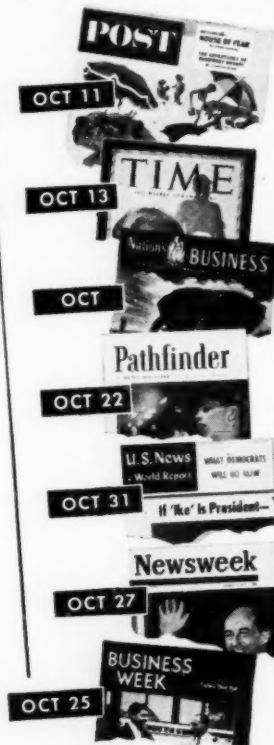
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